DOCUMENT RESUME

ED 193 490 CE 026 899

TITLE Employment and Training Evaluation Report--1979.
INSTITUTION Employment and Training Administration (DOL), Washington, D.C.
PUB DATE Nov 79
NOTE 265p.

EDRS PRICE MF01/PC11 Plus Postage.
DESCRIPTORS Career Education; *Demonstration Programs; *Employment Programs; Evaluation; *Experimental Programs; Federal Legislation; Federal Programs; Human Resources; Job Training; Labor Market; Labor Needs; Labor Supply; Labor Utilization; *Program Effectiveness; *Program Evaluation; Research; *Research Projects
IDENTIFIERS Assistant Secretary Policy Evaluation and Research; Comprehensive Employment and Training Act; Employment and Training Administration; Office of Program Evaluation; Office of Research and Development; Work Incentive Program

ABSTRACT

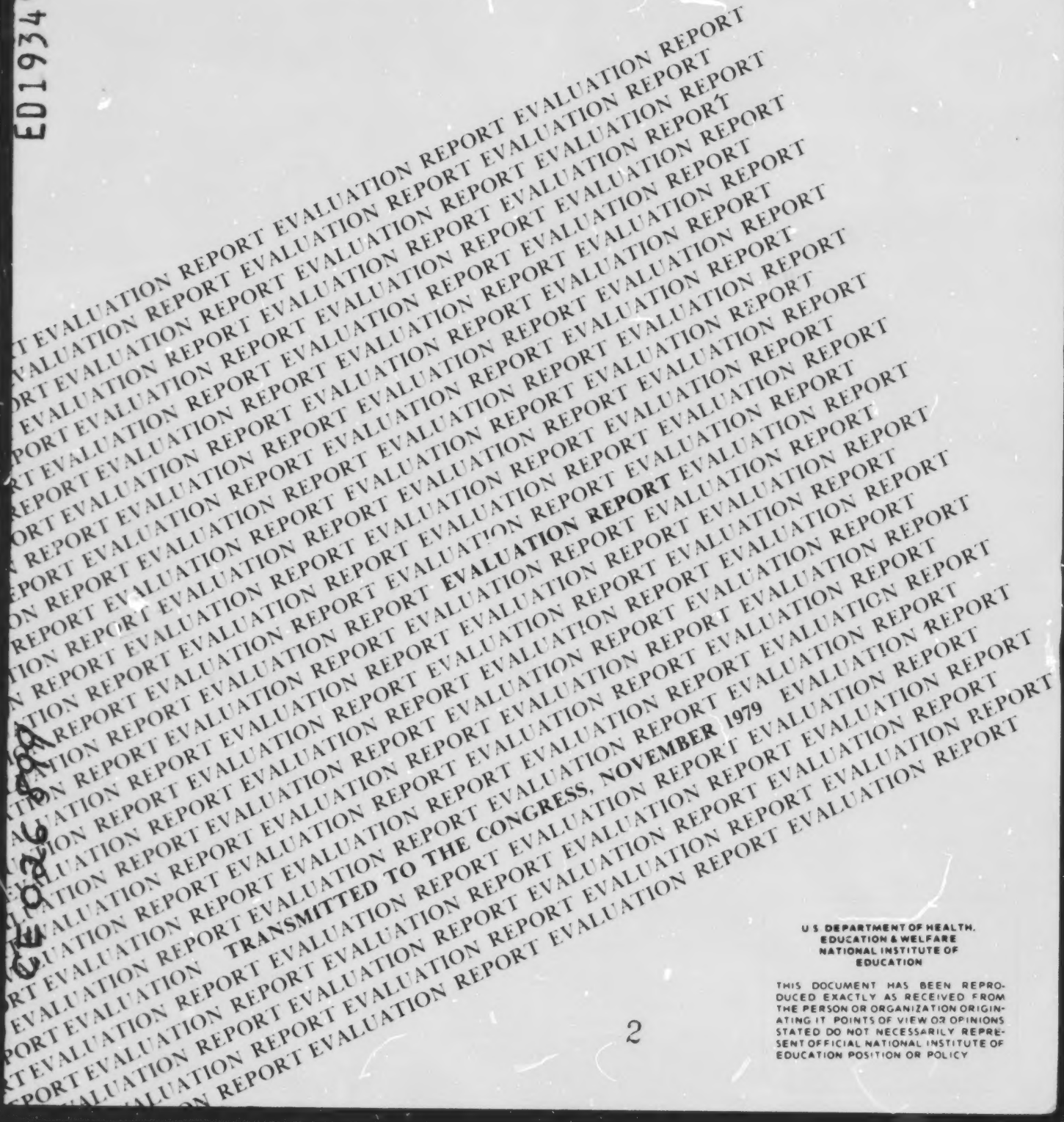
This document is responsive to requirements in the Comprehensive Employment and Training Act (CETA) to report on findings from research and evaluation activities conducted in fiscal 1979 and plans for fiscal 1980 by the Employment and Training Administration (ETA) and the Office of the Assistant Secretary for Policy, Evaluation, and Research (ASPER). Section 1 (Research, Experimentation, and Demonstration) presents findings from projects administered by the Office of Research and Development (ORD). Section 2 (Evaluation) summarizes major findings of program evaluation studies conducted or funded by the Office of Program Evaluation (OPE). Section 3 covers completed and uncompleted employment and training and related projects conducted by ASPER. (Each of these three sections also contains an ETA plan for fiscal 1980 activities.) Appendixes include (1) statistical tables of selected programs and financial data on fiscal 1978 CETA and Work Incentive program activities; (2) listings of research, experimentation, and evaluation projects administered by ORD and OPE in 1978; (3) ORD work agenda for fiscal 1980; and (4) Report on Optional Levels of Additional Evaluation Efforts and Use of Contractors to Conduct Evaluation Studies. (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

Employment and Training Evaluation Report - 1979

U.S. Department of Labor

ED193490



U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

U.S. Department of Labor
Ray Marshall, Secretary

Employment and Training Administration
Transmitted to the Congress
November 1979

A report on findings from research and evaluation activities conducted in fiscal 1979 and plans for fiscal 1980 by the Employment and Training Administration and the Office of the Assistant Secretary for Policy, Evaluation, and Research to fulfill requirements in title III, part B, sections 313 (d) and (e) of the Comprehensive Employment and Training Act of 1973, as amended.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

November 30, 1979

To the Congress of the United States:

The Comprehensive Employment and Training Act of 1973, as amended, in Title III, Sections 313(d) and (e), requires the Secretary of Labor to prepare and submit to the Congress an evaluation plan and report, covering the areas of research, statistics, evaluation, experimentation, and demonstrations. This report is to include a summary of major findings from related studies over the previous fiscal year and plans for future projects, together with proposed funding and staffing levels to carry out those planned activities.

In addition, Senate Appropriations Committee Report No. 96-247, dated July 13, 1979, directed the Department to submit to the Committee a completed evaluation plan, including optional levels of funding for additional evaluation efforts and a specific justification for each proposed utilization of consultant services.

This report is intended to be responsive to those requirements. Copies of the report are being sent under separate cover to the Chairmen of the Senate and House Appropriations Committees.

Sincerely,

Ray Marshall

Secretary of Labor

Enclosure

4

NOV 3 1980

CONTENTS

	Page
Introduction	1
Research, Experimentation, and Demonstration	9
Study Findings	9
Techniques and Strategies	9
Programs for Special Target Groups	23
Employment Service	30
Unemployment Insurance	35
Economic and Social Issues	37
ETA Research and Development Plan for 1980	48
Major Research Themes	48
R&D Budget and Staffing	56
Evaluation	59
Study Findings	59
Who Is Served?	60
CETA Participants' Experience	63
Development of CETA Decentralized System	67
Public Service Employment	69
Private Sector Involvement	74
Youth: Job Corps	79
Youth: New Youth Programs	81
Evaluation of Non-CETA Programs	83
ETA Evaluation Plan for Fiscal Year 1980	85
Relation to Major Hypotheses	85
Major Evaluation Areas	86
Evaluation Funding and Staffing Levels	92
Research and Evaluation in the Office of the Assistant Secretary for Policy, Evaluation, and Research	93
Introduction	93
Major Findings: Projects Completed in FY 1978-79	94
Employment and Training Projects	94
Unemployment Insurance	98

Page

Welfare Reform Projects..... 99
Macroeconomic Policy Projects..... 100
Other Projects..... 102
Active Research and Evaluation Projects..... 103
Employment and Training..... 103
Unemployment Insurance..... 104
Welfare Reform..... 105
Macroeconomic Policy Projects..... 109
Other Projects..... 111
FY 1980 Research and Evaluation Plans..... 112
ASPER Funding and Staffing..... 113

Appendixes..... 117

INTRODUCTION

Title III, Part B, sections 313(d) and (e) of the 1978 CETA Amendments require that the Secretary of Labor prepare and submit to the Congress an annual evaluation plan and report. The plan is to set forth major themes for the areas of research, statistics, evaluation, experimentation, and demonstrations to be undertaken in the succeeding fiscal year; the program purposes and policy alternatives to which each such area is related; and the current and proposed funding and staffing levels for the offices concerned with research, development, and evaluation (RD&E). The report is to focus on the achievements, failures, and problems of CETA programs in meeting the act's objectives and to contain a summary of major findings from research, evaluations, and experiments conducted in the previous fiscal year. Recommendations for legislative or administrative changes based on these findings may be included, if appropriate.

The following report is divided into three sections. The first section presents findings from projects administered by the Office of Research and Development (ORD) and the second summarizes data from studies conducted or funded by the Office of Program Evaluation (OPE). Both ORD and OPE are component parts of the Office of Policy, Evaluation, and Research (OPER) that is located in the Department of Labor's Employment and Training Administration (ETA). Plans for studies to be initiated or continued in fiscal 1980, along with funding and staffing levels for each office, are included as subsections within the appropriate broad division. A third section contains findings from projects conducted by the Department of Labor's Office of the Assistant Secretary for Policy, Evaluation, and Research (ASPER). 1/

Since studies or projects are not usually scheduled for completion at the beginning or end of a particular fiscal year, the findings that are cited here are from those that were completed in fiscal 1978 and fiscal 1979 as of the time the report was prepared. For the most part, however, these studies initially were funded in an earlier period. Interim reports for ongoing projects or studies are included if the material is considered appropriate to the topic discussed.

Readers should carefully note that all findings described in this paper are those of the researchers and evaluators and do not necessarily represent the views of the Secretary of Labor. Similarly, any recommendations made by the investigators are not those of the Department.

1/ This report does not contain extensive discussion of research or evaluation findings on youth programs funded under CETA. The 1979 Employment and Training Report of the President included a lengthy review of the Job Corps program (pp. 169-89), pursuant to section 462(a)(3) of CETA. Plans for the 1980 Report call for considerable attention to the status of youth programs in general, and a report on Youth Incentive Entitlement Projects administered by ETA's Office of Youth Programs will be submitted under separate cover, pursuant to Title IV, section 420 of CETA.

While both the findings and recommendations contribute to Departmental policy decisions and program recommendations, they do not constitute their sole basis. Note, too, that in some cases there may be inconsistencies or even contradictions in the various study outcomes. This paper is, accordingly, meant to present a review of the latest information available from completed and ongoing research and evaluation studies of CETA and related programs over the past fiscal year. Specific policy or program recommendations are reserved for a later date.

It will also be apparent that most of the material related to CETA focuses on activities prior to April 1, 1979, the effective date for most program modifications established by the October 1978 CETA amendments (PL 95-524). Studies already underway for which findings are available concentrate on these pre-amendment programs, although the findings in many cases have continuing relevance. The 1980 Employment and Training Report of the President, due March 1, 1980, will contain a more detailed discussion of the status of CETA programs (achievements, failures, and problems) during the fiscal 1979 "transition" year, based in part on additional research, evaluation, and demonstration findings not available for this report.

Readers will also note variances in presentation "styles" for the three sections of the report. To a large extent, the style was predetermined by the material and the particular objectives of each office that reported. Throughout its history, the R&D program administered by the Office of Research and Development has had two major objectives: (1) To help improve the effectiveness of programs for the development and use of human resources and (2) to strengthen the theoretical basis of knowledge about the demand for labor, the supply of labor, and the operation of labor markets. Thus, while some R&D responds to the immediate needs of policymakers and administrators responsible for CETA, WIN, the Employment Service, or other employment and training programs, other R&D constitutes basic research focusing on broad economic, social, and labor market issues. The Office of Program Evaluation, on the other hand, is concerned primarily with finding out how particular programs are functioning and their effects, particularly on participants. Accordingly, the R&D findings that are presented here are grouped according to five fairly broad topic areas, 1/ while evaluations findings are summarized as responses to seven rather specific questions about the effectiveness of CETA and other employment and training programs. The third section, prepared independently by ASPER, summarizes project findings according to general topic areas.

1/ Program techniques and management strategies, special target groups, the employment service, unemployment compensation, and economic and social issues. A similar topical outline is the basis for a summary of project findings (Research and Development Projects) produced and updated annually by the Employment and Training Administration. The "Projects Book" contains abstracts and other pertinent information on nearly all R&D activity that was funded by ETA over a period of three fiscal years. Another summary, entitled Research and Development: A 16-Year Compendium 1963-78), is scheduled for publication in December 1979.

Beyond the specific organizational framework for this report, findings from all studies and projects included here should be viewed in the context of 11 research hypotheses established for the Employment and Training Administration for fiscal 1980. These hypotheses were jointly developed for the Office of the Secretary of Labor by the Office of the Assistant Secretary for Policy, Evaluation, and Research, with OPER/ETA, to direct ETA research and evaluation to those questions that DOL policy-makers considered most important. The hypotheses, listed below, will make up ETA's research agenda for fiscal 1980, although not all projects address specific hypotheses or will be completed by the end of fiscal 1980.

Research Hypotheses for Fiscal 1980

Employment and Training Administration

1. <u>It is possible to achieve a four percent unemployment rate and a three percent inflation rate by 1983</u>.

   Thre recently passed Full Employment and Balanced Growth (Humphrey-Hawkins) legislation establishes goals for four percent unemployment and three percent inflation rates to be achieved by 1983. A research strategy must be undertaken immediately to determine the appropriate level and mix of policies and selected programs that might be used so that these goals can be reached. Potential components in the program include activities such as public service employment, classroom training, on-the-job training, investment and employment tax credits, wage subsidies, changes in education strategies, and income transfers. Factors that also must be considered for programs within the purview of the Department of Labor include the size of the programs, eligibility requirements, restrictions on the length of participation in programs, fiscal substitution, and enforcement of work tests associated with transfer programs.

   This project represents the Department's most difficult and important research task for the next several years. Research on this topic will require integration of microeconomic theory with macroeconomic models to determine if and how the desired results can be achieved.

2. Public service employment can be used as an effective countercyclical tool.

When public service employment was expanded as part of the economic stimulus program, some analysts were skeptical regarding its usefulness as a countercyclical tool. The PSE expansion did take place as scheduled, however, and studies vary on the degree of fiscal substitution that has occurred and raise many other issues regarding the use of PSE and other tools.

PSE should be compared with other fiscal policies (such as tax cuts, revenue sharing, and public works) to see how it ranks in terms of lags for expansion and contraction, multiplier effects, effects on inflation, and distribution of employment.

3. CETA programs should be restricted to the most severely disadvantaged.

The last two sets of amendments to the CETA legislation have significantly restricted eligibility for CETA participation. It is possible, however, that a "mixed" program including some participants who are not disadvantaged might be more beneficial in some ways. Research should be conducted, either using existing CLMS data or by operating demonstration projects, to compare the mixed and restricted approaches in terms of effects on participants, availability and impact of services to the disadvantaged, public perception, value of output, and other factors.

4. The employment service provides significant benefits to its users.

Although millions of people are placed each year by the employment service, little is known about the value of ES activities to jobseekers and employers. Such information is essential to determine if the ES should be maintained at its present size, expanded, or contracted. Research should be undertaken to determine the value to ES clients of various ES services. Benefits of the ES to jobseekers include the reduction in time spent unemployed, increases in wages received, and increases of job tenure. The research should also address the issues of which services are most effective for particular types of jobseekers and the value of the ES to employers.

5. The targeted employment tax credit has a significant impact on employment of the target groups.

The persistently high rates of unemployment for youth and other population segments have led to the enactment of several programs to reduce the magnitude of the problem. The recently passed targeted employment tax credit is one such program, and research is needed to determine its impact so that it can be compared with other approaches. Research should be conducted to determine the net impact of the credit on employment of eligible participants and the cost of generating this employment. If the impact is positive, estimates should be made of how much of the employment is net job creation and how much represents a redistribution of existing employment opportunities.

6. Supported work programs that reduce recidivism and welfare dependency are operationally feasible and cost effective.

Supported work demonstration projects have been in operation for several years to test the feasibility and value of providing sheltered work environments for people with severe labor market barriers. Research associated with these projects should be directed toward determining if such programs should play a role in the Department's employment and training strategy. Estimates should be made of the relative costs and benefits of supported work and traditional programs.

7. The unemployment insurance system can be modified to reduce the unemployment rate.

Some of the features of the unemployment insurance system may lead to higher levels of measured unemployment than would otherwise occur. For example, payments of unemployment insurance to claimants who are ineligible results in higher payroll taxes as well as an increase in the unemployment rate. Another possible area of investigation is the role of work test enforcement in influencing the unemployment rate. Research projects should address the ways in which design and administration of the unemployment insurance system can be modified to reduce the unemployment rate.

8. It is possible to improve the equity and reduce the burdens of decreases in the demand for labor by providing partial unemployment benefits to workers who choose work sharing as an alternative to lay-offs.

The costs of involuntary unemployment could be substantially reduced for some workers if all workers in a plant opted for a reduced work week, or work sharing, as opposed to lay-offs of those workers with less seniority. Workers with high seniority could be included to share the costs of unemployment through work sharing if part of their lost earnings were replaced with UI benefits. The provision of partial

UI benefits for work sharing might, however, result in economic costs for some workers that offset the gains in increased equity. The concept should be tested in a demonstration framework to determine both benefits and costs.

9. Programs to significantly increase the employment and earnings of female heads of households can be developed and implemented.

   Recent social and demographic trends suggest that female heads of households will comprise an increasingly significant share of the labor force in the coming decades. These women often face major labor force barriers such as the need to obtain day care services for young children, the need to obtain jobs with nonstandard hours of employment, and difficulties in finding employment because some of them have been out of the labor force for many years. Research should be conducted to develop projections of how this group is likely to grow relative to other significant segments of the population. Research and developmental projects should be undertaken to develop, implement, and evaluate alternative employment and training programs that deal with this group.

10. Intensive employment and training programs have greater aggregate economic results than extensive programs.

    The current mix of employment and training programs includes some programs that devote a relatively high level of resources to each participant (e.g., Job Corps and Supported Work) and others that spend fewer dollars per participant but serve a greater number of participants (e.g., classroom training). Research should be conducted to determine if the aggregate benefits of intensive programs per dollar spent are greater or less than the aggregate benefits of programs that spread resources across more participants. Research on this topic should address differences within programs as well as across programs and among different participant groups.

11. CETA programs have a significant net impact on the employment and earnings of participants.

    The structurally oriented CETA employment and training programs are intended to improve the employment and earnings experience of participants in relation to what they would have experienced in the absence of the program. Evaluation efforts, through the Continuous Longitudinal Manpower Survey and other means, should determine the net effects of the CETA programs and determine the relative effectiveness of different activities in various participant groups.

A fourth and final section of the report consists of several appendixes, including 1) Statistical tables of selected program and financial data on fiscal 1978 CETA and WIN program activities; 2) listings of research, experimentation, and evaluation projects administered by ORD and OPE that were completed in fiscal 1978 and 1979 or that are still ongoing; 3) an ORD work agenda for fiscal 1980; and 4) a report supplementing the evaluation plan for 1980 that includes optional levels of funding for additional evaluation efforts and an accounting of the Department's use of outside evaluation contracts, as called for by the Senate Committee on Appropriations in its report dated July 13, 1979.

RESEARCH, EXPERIMENTATION, AND DEMONSTRATION

Study Findings

The following discussion highlights important findings from research, experimental, and demonstration projects during the past two years. In the main, these studies represent completed projects initially funded prior to fiscal 1978; however, interim results from studies still in progress are also reported where appropriate to the topic under discussion.

In the report that follows, significant findings are grouped according to five topic areas:

(1) Program techniques and management strategies
(2) Special target groups
(3) Employment Service
(4) Unemployment compensation
(5) Economic and social issues

Techniques and Strategies

CETA/WIN Planning and Operations

Several projects have been completed which gave special attention to the understanding and improvement of prime sponsor and State agency management practices and performance as they relate specifically to the achievement of CETA and WIN program objectives.

CETA Prime Sponsor Management. An Ohio State University study investigated how a sample of 30 prime sponsors made management decisions and concluded with recommendations for improvement. 1/ The investigators observed that local decisionmakers, especially local professional staff members, have tremendous latitude in choosing different approaches and solutions for the delivery of CETA services. They concluded that (1) prime sponsors should be given more assistance in collecting and using program participant data, (2) DOL should provide further technical assistance to prime sponsors to assist them in developing more effective relationships among local staff, service deliverers, and private employers, and (3) prime sponsors should develop an open decisionmaking and planning process at the local level. These and other suggestions have been incorporated into a monograph published by the Department of Labor, which has been widely distributed to prime sponsors and others concerned with the management of the CETA system.

1/ CETA Prime Sponsor Management Decisions and Program Achievements, R&D Monograph No. 56 (Washington: U.S. Department of Labor, Employment and Training Administration, 1978).

Ohio State University researchers also made an intensive study of 12 CETA prime sponsors to learn how they approached and resolved problems associated with comprehensive or areawide planning. Three models of planning were developed, and some exemplary approaches to critical elements of planning and management were delineated. The study concluded that, while planning and management are both important for success and are manipulable at the local level, nonmanipulable elements such as economic conditions do not create severe restraints on what can be achieved--a finding that contrasts with the results of another study on WIN (reported below) and with analyses of employment service performance. There is also evidence that prime sponsors can target resources to the most disadvantaged without diminishing overall program performance. The report is scheduled for publication shortly as a monograph for prime sponsor use. 1/

A third management study, conducted by Northeastern University and the Massachusetts Institute of Technology (MIT), examined the problems encountered by prime sponsors during the transition period from categorical to CETA programs after the initial enactment of CETA legislation in 1973. Findings and recommendations have been published as a monograph for use by prime sponsors. 2/

Handbooks. Drawn from past research and the experiences of program operators, a series of monographs entitled CETA Program Models have been completed. 3/ This series reviews the purposes of CETA and illustrates methods that have been found especially useful by prime sponsors in conducting local programs. Specific topics covered in the monograph series include job development, classroom training, supportive services, intake and assessment, work experience, and public service employment.

1/ Areawide Planning in CETA, R&D Monograph No. 70 (Washington: U.S. Department of Labor, Employment and Training Administration, forthcoming).

2/ The Implementation of CETA in Eastern Massachusetts and Boston, R&D Monograph No. 57 (Washington: U.S. Department of Labor, Employment and Training Administration- 1978).

3/ CETA Program Models (Washington: National Council on Employment Policy for the U.S. Department of Labor, Employment and Training, 1978). Authors and titles of individual reports in this series include: Miriam Johnson and Marged Sugarman, Job Development and Placement; James Bradley and Larry Wardle, On-the-Job Training--The OIC Approach; Susan Turner and Carolyn Conradus, Supportive Services; Lee Bruno, Intake and Assessment; Marion Pines and James Morlock, Work Experience Perspectives; and Ray Corpus, Public Service Employment.

PSE in Rural Areas. One currently ongoing research project is examining the experience and general applicability of public service employment (PSE) in selected labor markets of the rural South during fiscal 1979. Preliminary findings lead the authors to suspect that some PSE funds earmarked for rural areas are being used in urban areas instead; that PSE jobs in the rural South may not be reaching disadvantaged persons; and that, while there is little "substitution" in jobs, there is also little transition for recipients of PSE into private sector employment. 1/ The study is continuing in an effort to validate or reject these early findings.

Links to the Private Sector. A Conference Board (American Management Association) study of nine CETA prime sponsors 2/ found that particular strategies utilized by prime sponsors to link CETA programs and the business community did make a difference in the extent to which private employers participated in hiring, training, and planning programs. Other findings were as follows: (1) Greater subsidies or tax incentives were the primary recommendation of employers for increasing business participation, with smaller employers favoring the subsidy approach and larger employers desiring tax incentives; (2) employers with on-the-job training (OJT) contracts reported that their major reasons for CETA participation were labor shortages and assistance in job placement of OJT graduates, while equal employment goals and feelings of community responsibility were less important factors in business participation; (3) employer concerns focused on paper work and the need to acquire additional training facilities and personnel; (4) prime sponsors differed in their access to employers because of variations in sensitivity to employer needs, innovativeness in training and job development, and linkages with local business organizations (when these linkages did not exist, prime sponsors tended to rely more heavily on government agencies and non-profit organizations for placements); (5) larger businesses, with 500 or more employees, were markedly underrepresented among CETA OJT employers; and (6) non-whites and the economically disadvantaged were not as well represented in OJT as in other title I components.

1/ Cornell University, "Public Service Employment--A Case Study of Selected Rural Areas in the South," ongoing.

2/ Leonard A. Lecht and Marc A. Matland, Involving Private Employers in CETA Programs: A Case Study (Washington: The Conference Board for the Department of Labor, Employment and Training Administration, 1979).

The Conference Board study concludes that participation by private employers in local CETA programs can be increased by measures such as: (1) notifying prime sponsors in advance of large Federal procurement awards; (2) encouraging prime sponsors to become active participants in local economic development programs; (3) experimenting with variable rates of reimbursement to compensate for high costs in the early phase of training; and (4) shifting more program resources to OJT and classroom training provided by employers at the work site.

Community Responses to Mass Layoffs. A checklist of possible actions and sources of public assistance that can be helpful to community leaders in localities facing mass layoffs or plant closing is now being produced. 1/ The actions suggested are those that can be undertaken by local and State government bodies, community organizations, the State employment service, affected employers, and worker representatives. About 13,000 copies of the booklet will be sent to State Governors, mayors and city managers, AFL-CIO international unions and State labor councils, community and economic development specialists, all chambers of commerce in the United States, CETA prime sponsors, and appropriate Federal Government agencies.

In addition, a demonstration project, currently underway, is developing a systematic community-based strategy for dealing more effectively with plant shutdowns. 2/ Technical assistance will be provided to community leaders and specially created community action teams in four localities. Results from the project are expected in fiscal 1980.

Characteristics of Successful WIN Projects: An institutional analysis of the Work Incentive (WIN) Program offers a comparison of project performance at high and low levels. 3/ Results of the study indicate that there are observable differences in project organization, management, and service

---

1/ Sol Swerdloff, Action Checklist for Community Leaders: A Guide for Communities Facing Major Layoffs or Plant Shutdowns (Washington: Manpower and Education Research Associates for the Department of Labor, Employment and Training Administration, 1979).

2/ Utah State University, "Mobilizing Community Resources to Cope with Plant Shutdowns: A Demonstration Project" (ongoing).

3/ John Mitchell et. al., Implementing Welfare-Employment Programs: An Institutional Analysis of the WIN Program (Washington: Urban Institute for the Department of Labor, Employment and Training Administration, 1979).

delivery. Successful projects tended to be characterized by: (1) better knowledge of program goals at even the lowest staff levels so that, for example, quality of placements was not sacrificed to quantity; (2) greater analytic and monitoring capability in the State central office and more reliance on field technicians to aid in planning and reporting; (3) more staff training, especially in the areas of reporting and financial systems and in service delivery innovations; (4) smoother transition to title XX child care payments for enrollees who obtained employment; and (5) better coordination between welfare office and employment service personnel to ensure accurate and timely reporting by the county welfare office.

Another focus of this study is how and to what degree program performance is affected by external factors over which program operators have little or no control. The researchers found that local labor market conditions and demographic characteristics of the client population accounted for about one-third to one-half of the difference in performance among the local WIN projects. 1/ Placement rates increased whenever there were low-wage industries, small-sized employers, a relative absence of poverty in the population, more male than female enrollments, and a pattern of local economic growth. These findings suggest that project performance should be evaluated in the context of the socio-economic environment and that allocation formulas or other monitoring systems should allow for these extrinsic conditions.

Another ongoing demonstration project, the Minnesota Work Equity Program (see the section on Special Target Groups below for more detail) is examining problems with and potential strategies for coordination of service delivery to the welfare population. Findings from this project were instrumental in developing the Employment Opportunity Pilot Program now in operation.

1/ Cf. the Ohio State study on CETA Prime Sponsor Management and Program Achievements (1978).

Public Job Creation

An assessment of the feasibility of large-scale countercyclical public job creation was completed recently. 1/ Conclusions were based on field visits with government officials and national organizations in Washington, D.C. and in 24 counties nationwide that were conducted from June through November 1977. Although there has been some criticism of the methodology employed in the study, it should be noted that the figures cited are merely intended as estimates. Moreover, the feasibility of large-scale public job creation is not considered synonymous with desirability. Both factors must be considered in developing policy. Major findings from the study are summarized below.

1. The study identified 233 potential job-creation activities in 21 different program areas. The largest number of activities were in the areas of public works, environmental quality, education, social services, and criminal justice. This list of activities and a summary of their characteristics should assist prime sponsors and other program administrators who have the responsibility for developing PSE jobs.

Estimates of potential numbers of direct or "onsite" jobs (i.e., those created by the projects undertaken) and their associated costs were made for 115 activities. These activities were found to be capable of generating almost 3 million onsite jobs at a cost of $46 billion, or an average of slightly more than $15,000 per onsite job. The per-job cost estimates ranged from a low of $8,000 for cultural activities to a high of $41,000 for public works. A large number of additional onsite jobs could have been generated in the 118 activity areas for which projections were not made so that the total number of potential new jobs in public services would be higher than the 3 million estimate.

2. The total estimated number of jobs, both onsite and offsite (those resulting from direct, indirect, and induced employment effects of the onsite jobs), that could be generated varied according to the assumptions adopted concerning fiscal substitution (i.e., the replacement of existing jobs by those created) and how the financial resources freed by such substitution would ultimately be spent. If all the funds made

---

1/ Assessing Large-Scale Public Job Creation, R&D Monograph No. 67 (Washington: U.S. Department of Labor, Employment and Training Administration, 1978).

available were eventually spent, the researchers estimated that 7.4 million jobs would result. In that case, the cost per job would decline from $15,000 for created (onsite) jobs only to approximately $6,000 for the onsite and offsite jobs combined.

Moreover, the characteristics of indirect, or offsite, jobs would differ noticeably from jobs created onsite. For example, low-skill jobs, which would constitute over 40 percent of the onsite jobs, would, according to the study estimate, represent only 15 percent of all offsite jobs, although the total number of low-skilled jobs would actually increase from 1.2 to 1.8 million.

While all of these job- and cost-figures represent "best estimates," the authors believe that job-creation programs should not be judged solely in terms of cost estimates for onsite jobs, since indirect job-creation could conceivably lower the net cost considerably.

3. The study identifies a number of potential barriers to effective PSE program implementation. Inadequate time for planning or resources for training were singled out as factors that should be amenable to policy actions.

Sharing Work

Worker Attitudes. A number of studies have explored the various possibilities of sharing work, either through the creation of more part-time jobs or by other plans that permit workers to trade part of their pay for more leisure. One exploratory national survey found that a significant number of American workers stated a willingness to forgo potential or current earnings for additional free time. 1/ Time-income tradeoff preferences varied according to sex, level of income, number of wage earners in the family, and how the reduced hours would be distributed--longer vacations being preferred.

Job Sharing. The feasibility of splitting a job to be shared by two employees was explored in a demonstration project with the Wisconsin Civil Service. 2/ No major differences were found between employment of one full-time or two part-time workers in terms of employer costs, productivity, or employee job satisfaction. In addition, the practice of job sharing opened up job opportunities for more people seeking employment.

1/ Fred Best, Exchanging Earnings for Leisure: Findings of an Exploratory National Survey on Work-Time Preferences (Washington: National Commission for Employment Policy, 1979).

2/ Susan F. Meives, Part-Time Work: A Multiperspective Analysis (Washington: The University of Wisconsin for the U.S. Department of Labor, Employment and Training Administration, 1979).

Job sharing was accomplished for a wide variety of positions although some situations were more difficult to manage than others. It is anticipated that particular population segments--notably women, older workers, and the handicapped--will find a shared job arrangement especially attractive, although the effect of part-time work on eligibility for retirement benefits may have an influence on older worker participation.

Shared Work Compensation. Shared Work Compensation (SWC) or Short Time Compensation is an anti-recessionary tool to reduce the impact of layoffs by encouraging workers to share a portion of their workweek with those who would otherwise lose their jobs. Workers receive partial replacement of lost income. A planning study was recently completed for evaluating a SWC program in a selected labor market area in California, 1/ and further work remains to be done in understanding the implications of this economic tool.

Quality Training

Most training provided under CETA or WIN is short-term in nature and not designed to raise skills beyond the entry level. As a result, some WIN participants who obtain jobs after training do not earn enough in wages to lose their eligibility for welfare benefits.

A currently ongoing demonstration project is designed to test whether long-term, high-quality skill training leads to self-sufficiency for a small group of carefully screened female heads of household on welfare. 2/ The project is an adjunct of an 18-to-21-month Bell and Howell electronics technician training program, which has a 90 percent job-placement record following training at an average starting wage of $10,000 per annum. It is anticipated that those women who complete the training will be able to move from the "secondary" to the "primary" labor market.

1/ "A Proposal to Implement, Conduct, and Evaluate a Demonstration of the 'Worksharing' Concept" (Washington: Mathematica Policy Research, Inc. for the Department of Labor, Employment and Training Administration, 1979).

2/ "Quality Training for Female Heads of Household" (Washington: Bureau of Social Service Research for the Department of Labor, Employment and Training Administration, 1979).

In the Bell and Howell program, WIN applicants must meet the same entry requirements as regular enrollees. Special counseling services, tutoring, and other "trouble shooting" services are provided, however. Preliminary results from the study indicate that the attrition rate for WIN participants is high but comparable to that of the other enrollees. Data on placements and earning experience will be available in mid-1980, but the overall record to date for this select group of women indicates that those who successfully complete the program either move off welfare completely or earn sufficient income to require less benefits. The study also has a control group of similarly qualified WIN clients, and both the experimental and control groups will be followed closely for one year after training (or the equivalent time period for controls) to ensure valid conclusions regarding the efficacy of this approach for promoting an end to welfare dependency.

Supported Work

The National Supported Work Demonstration began in 1975 to test the effectiveness of transitional work programs for hard-to-employ persons, specifically ex-offenders, ex-addicts, young school dropouts, and long-term welfare recipients. Supported work, as it has been developed in this project, is a mix of both sheltered work and work experience: A goods-and-services producing organization offers employment in a shielded work environment for a specific period of time, usually 12 to 18 months. Initially limited expectations from the workers are gradually raised as each individual's ability to perform improves. Rewards for timeliness and other acceptable work habits are used to support the worker's adjustment.

Supported work projects are located in 21 cities and follow a rigorous experimental design to ensure valid evaluation. Interim findings 1/ indicate that in the first months of enrollment, while participants were in the project, the employment and economic status of the participants in all four target groups improved markedly in comparison with established control groups.

1/ See Rebecca Maynard et. al., National Supported Work Demonstration: Effects During the First Eighteen Months After Enrollment (Washington: Manpower Demonstration Research Corporation for the Department of Labor, Employment and Training Administration, 1979).

The supported work program achieved a substantial measure of success in meeting its short term objectives of increasing employment and earnings, reducing welfare dependency, producing useful goods and services and reducing criminal activities. It provided ample evidence of a strong interest in work among the four target populations, particularly the recipients of Aid to Families with Dependent Children (AFDC) benefits. It also showed that temporary supported employment could lead to a substantial reduction in average welfare benefits and a decreased number of participants on the welfare rolls. Finally, for the ex-addicts, it demonstrated that providing a pay check can lead to a direct and dramatic reduction in criminal activities.

The findings on long-term impact are mixed. For the AFDC participants, it appears that program effects endured after their experience in supported work and into the post-program period, and that the level of impact did not decline over time. For ex-addicts, the program appears to have had a delayed effect, with no significant impacts observed during months 16 to 30, but substantial positive impacts during months 31 through 36. Finally, for the ex-offenders and youth, the program does not appear to have long-term impacts.

The principal findings--all preliminary--for each of the four target groups in the supported work study are summarized below:

Welfare Recipients. Among the AFDC target group, at the end of 16-to-18 months in the program, participants were enrolled at a 10-percentage-point higher rate than controls, worked 18 hours longer, and earned $78 more per month. In addition, by months 16 to 18, twice as many experimentals as controls had left welfare rolls, with only 70 percent still receiving some benefits in comparison with 85 percent of the controls.

Nine of the projects identified as successfully serving AFDC recipients have been incorporated as part of the ongoing program at local WIN sites. These sites are: Hartford, Conn.; Jersey City, N.J.; Newark, N.J.; New York City; West Virginia (five counties); Atlanta, Ga.; Chicago, Ill.; St. Louis, Mo.; and Oakland, Calif.

Ex-Addicts. Although at the end of the 18-month program period, no significant differences were observed between participants and controls in terms of earnings or hours worked, relatively large and positive differences did persist in several of the project sites. The most encouraging results from the study of the ex-addict group concerned the observed differences in criminal activity: a significantly lower percentage of experimentals (25 percent) than controls (36 percent) reported having been arrested during the 18-month period. (Substantial

variations were observed among sites.) Overall, the available data on drug use by participants suggest no significant program effects.

Ex-Offenders. By the program's 12th month, experimental-control differences in earnings and hours worked for the ex-offender group were no longer statistically significant. However, substantial reductions in welfare benefits continued for participants into the 16-18 month period. Finally, for this group there is no evidence that the program had an impact on either criminal activities or drug use for either the in-program or post-program period.

Youth. Among the youth group as a whole, there were no statistically significant, employment-related differences by the end of 16-18 months, although beneficial effects persisted for experimentals in the Atlanta project. Like the ex-offender group, youth participants experienced no significant reduction in drug use or criminal activity as a result of their participation in the program.

A technical assistance guide for project directors on how to implement and operate a supported work program was published in fiscal 1979. 1/ The final impact evaluation and process analysis of the supported work demonstration are expected in the spring of 1980.

Job Search Training/Placement

Research has indicated that most individuals find their own jobs through an informal network of friends and relatives, an asset not possessed by many disadvantaged jobseekers, and that the penetration rate for public placement agencies is under 15 percent of available jobs. Findings from a recently completed demonstration study suggest that employment and training clients, if they possess basic skills, can be taught to find their own jobs through a better understanding of labor market job search techniques and the motivational support of agency staff and other fellow jobseekers.

In one demonstration study, a "Job-Finding Club" approach to employment was experimentally evaluated, focusing on a number of WIN sites throughout the United States. 2/ The Job Clubs

---

1/ Supported Work Procedures Manual (Washington: Manpower Demonstration Research Corporation for the Department of Labor, Employment and Training Administration, 1979).

2/ Nathan Azrin, The Job Finding Club as a Method for Obtaining Employment for Welfare-Eligible Clients (Washington: Anna Mental Health and Development Center for the Department of Labor, Employment and Training Administration, 1977).

consisted of job-ready clients, in groups, receiving daily instruction in employment techniques such as using the yellow pages, want ads, and friends and relatives in getting job leads; the writing of resumes; and interviewing techniques. Clients were required to make at least ten phone calls per day for a four-week period to prospective employers and to report the results of their interviews to group members. Sixty-two percent of the Job Club participants, compared with 33 percent of a control group, obtained employment before the end of the four-week period. Wage rates for club members and the control group were similar. This group-oriented job search concept is now being expanded as part of the WIN program in 24 States, using Federal funds. Some other States have also adopted the group jobseeking activity in their own welfare programs.

Further research in methods of teaching job search techniques is now in progress. 1/ Two demonstration projects are applying variants of search techniques to assist youth, and another study is examining the extent to which job search training already is used in CETA, WIN, and Employment Service programs and discerning how each approach differs and what methods work best. On the basis of these findings, several model experimental projects will be initiated and evaluated.

Another demonstration project, the Minority Women Employment Program, has shown dramatically successful results in placing unemployed and underemployed college-educated minority women in managerial, professional, and technical jobs. 2/ By identifying well-qualified minority women, coaching them to produce favorable interview and test results, instructing them in resumè preparation, and making them available for job openings developed by the project, it has been possible to achieve significant penetration into companies which previously had little or no minority female staff representation among their better-paying jobs.

1/ The Urban Institute, "A Study of Job Search Assistance and Its Impact on Youth Job Seekers" (in progress).

2/ Placing Minority Women in Professional Jobs, R&D Monograph No. 55 (Washington: U.S. Department of Labor, Employment and Training Administration, 1978). See also Robert Glover, et. al., Stepping Up: Placing Minority Women into Managerial and Professional Jobs (Salt Lake City, Utah: Olympus Publishing Co., forthcoming).

More than 2,000 women have been placed since 1971 in occupations such as chemist, accountant, management trainee, and engineer. Women who had previously been underemployed experienced striking improvements in occupational status and salary as a result of the program. About 65 percent of the placements have been in private industry; 10 percent in private nonprofit organizations; and 25 percent, in the public sector. Followup surveys conducted from 1976 through 1978 on women who had been placed by the project since its inception found that most of the respondents were still on the job or in a related position.

Relocation of Unemployed Workers

The Job Search and Relocation Assistance Pilot Project is a demonstration effort, now operating in 32 local employment service offices within Region IV (Atlanta). The demonstration seeks to determine the feasibility, impact, and cost of providing relocation assistance to unemployed workers in areas with structural unemployment. The ES offices provide jobseekers with job information, long distance telephone referrals, travel grants for interviews in cases where bonafide job offers have been made, and relocation assistance grants when jobs are obtained. (The project differs from earlier mobility efforts since it is not limited to the disadvantaged, relocation to any location is permitted, and supportive services are not provided.)

As of July 1979, 1,235 jobs had been filled by workers relocated by the project over the past 3 years at an average cost of $1,084. The project population is predominantly male, well-educated, white, and unmarried, with an average age of 33 years. Occupations sought tended to be in the professional, technical, or craft areas. The characteristics of participants reflect the fact that there are no provisions for support services in the project and eligible applicants are required to be job-ready and qualified for jobs paying over $4.00 per hour. The final evaluation will be completed in one year. 1/

1/ The evaluation is being conducted by WESTAT, Inc. for the Department of Labor.

Forecasting in Local Labor Markets

Forecasting employment trends is a critical element in maximizing the effectiveness of CETA training programs. A recently completed study attempted to develop improved econometric forecasting models in six local areas: San Francisco, Phoenix, southeastern Utah, the mid-Cumberland area of Tennessee, Springfield, and Tucson. 1/

A direct outgrowth of this project was a general reassessment of the costs and benefits of local econometric models and the finding that several local areas had spent large sums of money obtaining labor market forecasting models that represented only marginal improvements over current BLS estimating techniques. Consequently, the Employment and Training Administration is funding a project that will evaluate the use of econometric models in local areas. 2/ The results of the study will be used as a basis for a guide to State and local officials to help them determine whether the cost of the more sophisticated forecasting models is worth the only marginal improvement they obtain from data provided by the less-expensive BLS approach.

1/ Carol Taylor, Ronald Oaxaca, Arthur Denzau, Local Labor Market Econometric Forecasting Models (Washington: The University of Arizona for the Department of Labor, Employment and Training Administration, 1979).

2/ Columbia University, "A Monograph on Occupational Forecasting" (in progress).

Ex-Offenders

Each year more than 100,000 inmates are released from State and Federal prisons. Typically, these persons leave prison with only enough financial resources to cover their needs for a few days and with little hope of quick employment--factors that are probable contributors to recidivism. A pilot study, completed in 1974, indicated that released prisoners who were given temporary financial and employment aid had a 27 percent lower rearrest rate and a 15 percent higher employment rate than a control group that received no assistance.

As a followup to this early study, a more extensive demonstration known as the Transitional Aid Research Project for Ex-Offenders (TARP) was undertaken in Georgia and Texas (selected competitively from among several States). 1/ The demonstration sought to test the extent to which short-term financial assistance (comparable to weekly unemployment compensation) and job placement services were effective in increasing employment and reducing rearrest among newly released ex-offenders.

Contrary to expectations based on the earlier pilot test, findings revealed no significant difference between the recidivism rates of persons who received financial assistance and persons who did not. Instead, TARP found that employment, rather than financial assistance, was the major deterrent to rearrest. Financial assistance had mixed effects. On the one hand, unemployment benefits enabled the former prisoners to conduct longer job searches so that, on average, they obtained better jobs and earned more in wages than did persons not receiving such assistance. On the other hand, longer periods of unemployment were associated with a greater chance of arrest for property-related crimes. In addition, it was found that the client's own efforts to find jobs were just as successful as the job placement efforts tested in the study.

The fact that financial assistance was terminated when the client found a job was considered a possible disincentive for seeking work (in the successful 1974 experiment, financial assistance was continued for a prescribed period).

1/ University of Massachusetts, "Preparation of Monograph from TARP Project Data Analyzing Project Effects."

Handicapped Workers

In order to test the feasibility of using the sheltered work concept to provide training and job opportunities for hard-to-place non-handicapped individuals (see the discussion under Supported Work), a comprehensive survey of sheltered workshops was undertaken. 1/ Major findings are as follows:

1. In 1976, 268,000 persons were served, with an average daily attendance of 145,000. Facilities were adequate to serve one-third more, but work was not always available.

2. The typical sheltered workshop participant was an unmarried, 25-year-old, mentally retarded white male who lived in a group home or with his parents. Hourly earnings were 43 cents, and monthly earnings were $31, supplemented by Supplemental Security Income of $147. Fringe benefits were usually not included. Physically handicapped participants usually earned more, but they represented only 20 percent of the workshop population.

3. Participants in the survey were moved into competitive employment at a rate of 12 percent annually.

4. Very few workshops appeared to have the capability of manufacturing commodities to sell to the Federal Government under the Wagner-O'Day Act programs, but more than one-half of the workshops provided training in services which might be provided under contract.

5. The operating budget of many workshops, especially those serving the mentally retarded, seemed inadequate to support the necessary programs.

6. Very few workshops were serving participants referred by CETA and other Federal manpower programs. Possible explanations are that manpower program staff do not know about the workshops as a resource, do not consider them effective sources of training or employment, or do not receive many applications from handicapped jobseekers.

1/ Claud W. Whitehead, Sheltered Workshop Study (Washington: Department of Labor, Employment Standards Administration, 1977).

Alcoholics

Along with other problems that affect employment, the Department of Labor is concerned about the consequences of alcohol abuse and how it can be treated in the work setting. Several years ago, a research and development project was undertaken in Baltimore to explore a new concept in the organization of alcoholism treatment services and to develop basic data on the labor force behavior of workers with drinking problems. 1/ The project was among the first local, large-scale, multi-employer, multi-union cooperative alcoholism treatment programs in the country. Alcoholic employees were referred to a treatment facility especially created for the study without risk of losing their jobs.

Partly as a consequence of the project, Blue Cross of Maryland included alcoholism treatment in its coverage to industrial customers. Subsequently, the national Blue Cross Association developed a model for replication by its members and several State legislatures have made this type of coverage mandatory for industrial facilities in their States.

Major findings from the study indicate that:

1. It is feasible for management and organized labor to reach mutual agreement respecting treatment of health-impaired workers.

2. It is also possible, at a reasonable price, to collect funds through private sector health insurers to cover the costs of providing treatment. However, it may not be feasible to establish the referral organization and treatment facility before securing health insurance cost reimbursement;

3. Job retention was greater for those who continued treatment than for those who terminated before one year. Eighty-one percent of the treatment group was still working for the same employer 12- to-13 months following referral;

4. A disproportionate number of referrals to the demonstration project were black, male, blue collar workers in low-status jobs with little occupational mobility. Rates of absenteeism were four-to-eight times higher than the employer's workforce as a whole; and

---

1/ Carl J. Schramm et. al., Workers Who Drink (Lexington, Mass.: Lexington Books, 1978).

5. The treatment was most successful with workers who were married, adhered to a religion, were between 35-54 years old, and who considered drinking a moderate or serious problem.

The study also disclosed that better methods of detecting work performance impaired by alcohol abuse are needed. Job supervisors reported that they lacked knowledge about alcohol-related symptoms of impaired job performance, other than the obvious signs of physical deterioration, and therefore were unwilling to refer workers in earlier stages of impairment. It was recommended that at least one individual in a company be assigned specifically to deal with job-related problems of alcohol abuse. Nevertheless, further study is needed to improve methods of bringing into treatment the professional and managerial workers who abuse alcohol.

The project demonstrated the feasibility of a multiparty approach for organizing treatment services for employed alcoholics. It showed that by concentrating resources, cost effectiveness can be achieved which bring the expense of providing treatment within the range of normal industrial health insurance coverage.

Welfare Recipients

Popular images of welfare recipients and the poverty population in general reflect the belief that poverty is a permanent condition of long-term dependency and that welfare is an alternative to work. In contradiction, however, completed and ongoing DOL-sponsored studies indicate that the poverty population is actually a diverse and changing group and that there is also considerable movement on and off of welfare rolls.

According to a national longitudinal survey of persons in poverty 1/ about one-half of the sample population remained poor for most of the six-year study period, about 26 percent moved out of poverty with little likelihood of returning, and 27 percent had incomes which fluctuated above and just below poverty level for the six years. The families that were most likely to leave poverty were found to be relatively small, white, and male-headed; female-headed households left poverty

---

1/ See Frank Levy and Michael Wiseman, The Income Dynamics of the Poor (Washington: University of California for the Department of Labor, Employment and Training Administration, 1977).

and welfare at much slower rates. Increased wages and more hours worked combined to help welfare recipients leave the rolls. Conversely, a birth of a child out-of-wedlock or desertion of a family by the father are the most common factors leading to welfare status. Separation is common among families on welfare even in States that provide benefits to intact families through Unemployed Fathers programs. The study also found that closure rates for AFDC cases are inversely related to the age of the mother and family size, and positively related to the mother's employability characteristics. The young, new entrant to the welfare system has the best possibility of leaving the rolls. Race and sex variations are also apparent. Between 1967 and 1973, only 25 percent of families headed by a black woman were able to leave the welfare rolls; the proportion for white female family heads was 37 percent; and for all males, 54 percent. Finally, the study found that welfare caseloads did not expand as rapidly after 1971 as before because nearly all families eligible for welfare were already on the rolls.

Perceptions of work and welfare as opposing conditions have also been found to be inaccurate. The part-time or temporary employment of women who head AFDC families is extensive. A study that examined labor market participation rates over long periods of time concluded that over half of the female heads worked at some time during the three-month period. 1/ In an earlier five-year study, 77 percent of those who were female family heads worked at some time. 2/ Household responsibilities are the major barrier to full-time employment among low-income women. About half of all AFDC women cite child care as a barrier to labor market participation. In addition, poor education and inadequate job skills relegate them to low-wage clerical and service jobs which do not provide sufficient income for self-support.

1/ Leonard Goodwin, The Work Incentive Program (WIN) and Related Experiences, R&D Monograph No. 49 (Washington: U.S. Department of Labor, Employment and Training Administration, 1977).

2/ Barry L. Freidman and Leonard J. Hausman, Work and Welfare Patterns in Low Income Families (Washington: Brandeis University for the Department of Labor, Employment and Training Administration, 1975).

A longitudinal study of welfare cases in Alameda County, California, reveals that younger recipients are becoming more prevalent, with some 59 percent of the sample under 30 years of age. 1/ The researchers also found a significant increase in the proportion of cases in which the mother came onto the welfare rolls within six months of the birth of her first child. Also, the average duration of welfare dependency has continued to increase over time.

These and other findings derived from over 50 projects sponsored by the Office of Research and Development are summarized in a recently published monograph. 2/ This analysis also notes the frequent movement on and off welfare of most recipients and that the employment opportunities that are likely to be available to welfare recipients pay wages which are not usually sufficient to remove them completely from the welfare rolls.

In addition to those studies designed to better understand the welfare clientele, a number of studies already in progress are concerned with the problem of moving welfare recipients into jobs or advancing those already working into higher-paying jobs. For example, the Minnesota Work Equity Program (WEP) is intended to demonstrate the ability of CETA and other Federal programs to create on a large scale special public jobs for which welfare recipients would be eligible. 3/ Federal, State, and local agencies have the opportunity under WEP to demonstrate how they would coordinate their roles in placement, training, and support services. The program will also try to determine how employable the welfare population is and how many and what kinds of jobs can be created. The revised design will permit a comparison of the costs of job creation and income maintenance, the impact on participants, and the acceptability of WEP to the total community.

1/ Sandar Threlfall and Michael Wiseman, Studies in Welfare Administration and the Demographics of Low-Income Households: An Interim Report (Washington: The University of California for the Department of Labor, Employment and Training Administration, 1979).

2/ Income Inequality and Employment, R&D Monograph No. 66 (Washington: U.S. Department of Labor, Employment and Training Administration, 1978).

3/ Abt Associates, "Minnesota Work Equity Program" (in progress). The operational phase of the demonstration is being conducted by the St. Paul and Minnesota Balance-of-State CETA prime sponsors.

In anticipation of the enactment of welfare reform legislation a major effort consisting of projects with similar objectives will be started by an anticipated 15 CETA prime sponsors, representing various kinds of sponsors, size of projects, geographic area, labor market characteristics, and level of welfare payments. 1/ These projects will test different aspects of the Administration's welfare reform jobs component to insure that the proposed service mechanisms are refined and tested prior to implementation nationally.

A series of demonstration projects at four WIN sites is testing specific strategies for moving aid recipients off welfare and into private sector jobs. These four projects are part of an overall "Laboratory in the Work Incentive Program" under contract to the Manpower Demonstration Research Corporation. The objectives of this laboratory effort are to establish cooperative working relationships among researchers and program operators while learning more about what procedures and program techniques lead to success or failure in finding employment for welfare recipients.

In Denver, Colorado, for example, the aim is to move WIN women with children under six (who are not subject to mandatory work requirements) off welfare before they "settle in" and become dependent upon their grants. Besides an emphasis on recruitment efforts, building mutual support networks and securing child care arrangements will be emphasized. Another WIN laboratory project located in Louisville, Kentucky is providing supportive services and job search assistance at the point of application to the welfare system. While they wait for welfare grant approval, AFDC applicants receive six weeks of intensive job search training, referral services and supportive services, including temporary drop-in day care for children. Interim findings from this study are being used to estimate the results of a mandatory job search program in the jobs component of the welfare reform demonstration program. The Madison-Racine, Wisconsin WIN laboratory is exploring the potential for training women in nontraditional jobs because of their usually higher wage rates. A minimum wage of $4.00 per hour is being sought for clients. The fourth WIN laboratory, located in St. Louis, is concentrating on developing linkages with the Small Business Administration (SBA) and the SBA-sponsored University Business Development Center to test whether such an arrangement can provide greater access to jobs that would be suitable to WIN participants.

1/ "Employment Opportunities Pilot Projects" (in progress).

Employment Service

A number of ORD-sponsored studies are now examining or have examined basic questions about the actual role of the employment service, while other studies have focused on specific management and operational problems.

Legislative and Policy Issues

Measuring "Success". A 1978 pilot study explored the feasibility of using Continuous Wage Benefit History (CWBH) 1/ data as a means of measuring the success of placement activity by the Employment Service. CWBH data were correlated with 1972 data for the same individuals in the Employment Service Automated Reporting System (ESARS) for the State of Pennsylvania. 2/ The author concluded that this approach was feasible and warranted further development. The study also found that the Employment Service generally serves as a "backstop" to other methods of job search, and aids especially those jobseekers who have exhausted other sources of job information.

Role of Employment Service. A study based on a 1976 survey of 54 local public employment offices in 23 States focused on the ES role in applying the work test as an eligibility requirement for unemployment compensation, food stamps, or State-funded general assistance programs. 3/ Based on their findings, the researchers concluded that registering benefit recipients and referring them to employers is inconsistent with the primary mission of the Employment Service, that of operating an effective labor exchange, and rarely resulted in the denial of any benefits.

1/ CWBH is a longitudinal data base on workers and UI claimants.

2/ Arnold Katz, Exploratory Measures of Labor Market Influences of the Employment Service (University of Pittsburgh for the Department of Labor, Employment and Training Administration, 1978).

3/ CAMIL Associates, Inc., Services to Applicants Registered with the U.S. Employment Service, February 1979.

Studies in Progress. Other ongoing research, for which findings are not yet available, include: (1) an examination of the cost implications of applying the work test in the WIN, UI, and Food Stamp programs; 1/ (2) a test to determine which job classification procedures, including the Dictionary of Occupational Titles, offers the most useful methods for matching applicants and jobs; 2/ (3) an attempt to determine why some growers use legal aliens and others are able to operate successfully by hiring only domestic workers; 3/ and (4) an examination of the role of the Employment Service in assisting the intermittent worker. 4/

Management and Operational Issues

Management Information Systems. In 1978, a review of management processes and information needs at all levels of the ES was completed. 5/ The study concluded that: (1) The data elements required to calculate most performance indicators and other statistics needed by ES managers for planning, monitoring, and evaluation are captured in one or more of the automated data systems that support the ES management system; however, there are major deficiencies in the formats, contents, and timing of reports produced by those systems; (2) three basic types of

---

1/ Abt Associates, Inc., "Study to Determine Work Test Costs and Outcomes".

2/ National Academy of Sciences, "Committee on Occupational Classification and Analysis."

3/ Dr. James S. Holt, "Assessment of Factors Determining the Availability of U.S. Workers for the East Coast Apple Harvest."

4/ Donald Mayall, "Serving the Intermittent Worker: Problems and Policy Implications for the Employment Service."

5/ John M. Greco (Macro Systems, Inc.) and Charles K. Fairchild (Abt Associates, Inc.), Determining the Management Information Needs of the United States Employment Service, 2 vols. (Washington: U.S. Department of Labor, Employment and Training Administration, 1978).

management information are needed but not available from existing data systems--data for monitoring services to employers and job development, data for monitoring tracking services under CETA and WIN, and data for estimating the potential economic impact of the ES and measuring its net economic impact; and (3) the ES management information system is inefficient and at times unreliable because it consists of fixed-form data systems such as Job Bank and ESARS, that were independently developed, have rigid and duplicative file maintenance and report generating components, interface in complex ways, and produce reports that are not optimally suited to many management information needs.

Institutional Analysis. A 1977 Urban Institute analysis found that the State Employment Service agencies could be categorized as "optimizing" or "suboptimizing" agencies on the basis of their placement performance. 1/ The study found that optimizing agencies were characterized by: A clear and consistent sense of mission, with placement a primary objective; innovative professional leadership; an "open" internal atmosphere, with considerable lateral and upward communication; a wide supervisory span of control and few organizational levels; considerable delegation of responsibility to persons who provided services; "lean" district and central office staffing; and close and informal relations with employers.

Occupational Analysis 2/. A management study of the USES Occupational Analysis Program, which defines and classifies occupations for employers and jobseekers, indicated that substantial opportunities exist for both reducing costs and improving quality. 3/ Specific findings from the study are as follows:

1/ Mark Lincoln Chadwin et. al., The Employment Service: An Institutional Analysis (Washington: The Urban Institute for the U.S. Department of Labor, Employment and Training Administration, 1979).

2/ The Occupational Analysis Program is jointly operated by a Division of the USES and eleven State ES agency field centers. The primary product of the program is the Directory of Occupational Titles (DOT), which is the internationally known reference document that lists, classifies, and defines occupations in the American economy.

3/ A Management Review of the Occupational Analysis Program of the United States Employment Service (Washington: Booz Allen and Hamilton, Inc., for the U.S. Department of Labor, Employment and Training Administration, 1979).

- The occupational Analysis (OAS) Program was not focusing on current USES program objectives, with the result that OAS resources were being inefficiently utilized.

- The use of eleven field centers presented management span-of-control problems that resulted in low productivity in the field.

- Management and budget control procedures have handicapped effective evaluation and monitoring.

- There were deficiencies noted in the technical processes underlying the DOT data collection and production.

The USES has initiated a corrective action plan designed to address the recommendations of the study. Elements of the improvement strategy include:

- Strengthening management in key program positions for improved national office direction; shifting program emphasis to refocus activities on the development of the DOT and systems to support computerized job matching.

- Consolidation of program operations into approximately six field centers instead of the current eleven.

- Upgrading of program management and budget control procedures starting at once.

- Initiating research for both immediate and long-range improvements in technical processes.

Office Location. A handbook has been written for the purpose of assisting ES and UI agencies to locate offices at sites most convenient to clients. 1/ The handbook is being modified to permit the use of computers and to incorporate changes suggested by users of the original version. The manual has been distributed to all State agencies and regions, and the national office has assisted eight States in relocation planning.

1/ Location Handbook for Employment Service Local Offices (Washington: Contract Research Corporation for the Department of Labor, Employment and Training Administration, 1978).

Studies in Progress. The following ongoing studies have the long-range goal of improving the administration of employment service programs. They include: A study of the cost-effectiveness of gathering selected data on all local offices to supplement national and State data; 1/ a review and interpretation of ES-related R&D findings from studies completed from 1975 through 1979; 2/ a feasibility study of methods for reducing the cancellation of job orders by employers; 3/ an examination of the use of cash incentives as a means to improve productivity; 4/ an exploration of how best to obtain feedback on the results of client referrals and placements; 5/ an examination of the effects of a new system of regulation for State and local ES offices that sets forth minimum requirements but leaves the detail of operation to local discretion; 6/ a feasibility study of the advantages and disadvantages of using a few pre-selected local offices as sites for future research and demonstration studies; 7/ a project to develop a resource allocation formula for fiscal 1982 that balances need (e.g., a State's share of the civilian labor force) and performance; 8/ and a review of all available ES productivity measurements. 9/

1/ Westat, Inc., "Development and Conduct of a Survey to Provide a Functional Description of ES Local Offices."

2/ Dr. David W. Stevens, "Summary of ES RD&E, 1975-1979."

3/ Arthur Young and Company, "Study of ES Job Orders, Cancellations and Referral Process."

4/ The Urban Institute, "Developing and Testing of Employee Productivity Incentives for Local Offices of the U.S. Employment Service."

5/ Macro Systems, Inc., "Developing Improved Methods of Obtaining Information on the Disposition of ES Referrals to Job Openings and on Job Placements."

6/ Booz, Allen and Hamilton, Inc., "Assessing the Impact of the New Federal Regulations and Administrative Guidelines Governing the Provision of Services by the United States Employment Service."

7/ Urban Systems Research and Engineering, Inc., "Feasibility Study of Use of Selected Offices to Improve the Operation of U.S. Employment Service Programs."

8/ Abt Associates, Inc., "Developing a Needs-Based Methodology for Allocating ES Grant Funds for Fiscal 1982."

9/ The University of Missouri, "Specification and Measurement of Productivity in the U.S. Employment Service."

Unemployment Insurance

Examination of the labor market activities of individuals who collected unemployment compensation from the Federal Supplementary Benefits (FSB) program 1/ in 1975 provides information on the extent to which these individuals were able to find new jobs and the character of the jobs they found. 2/ The labor market data also give some information about the attachment of FSB recipients to the labor market and the effect that extended unemployment benefits had on job search behavior. All of these issues have implications for judging the overall success of the FSB program and for planning similar initiatives during recessionary periods in the future.

Some of the principal findings, based upon follow-up interviews conducted in November 1977, were as follows:

The unemployment rate of persons who had collected FSB benefits in 1975 remained at a high level (well over 20 percent) in 1977. Younger workers were less likely to be unemployed than those in older age groups. Over 25 percent of the sample, mostly older workers, were no longer in the labor force at the time of the follow-up survey.

Of those employed in November 1977, weekly earnings were, on average, about 10 percent lower (in real terms) than wages earned in jobs held before the respondents had become UI recipients.

Additional potential weeks of UI eligibility reduced an individual's employment and increased the length of unemployment spells. At the margin, each week of potential benefits resulted in about 0.3 to 0.5 week increase in the duration of unemployment.

1/ The Emergency Unemployment Compensation Act of 1974 established a temporary program of extended unemployment compensation (UC) benefits called Federal Supplemental Benefits. The program was designed to provide additional weeks of benefits to persons who exhausted their regular Unemployment Insurance (UI) and Extended Benefits (EB) entitlements during a period of unusually high unemployment in the United States.

2/ J. Alan Brewster et. al., Follow-up Study of Recipients of Federal Supplemental Benefits (Washington: Mathematica Policy Research Inc., for the U.S. Department of Labor, Employment and Training Administration, 1978).

Just over 50 percent of the 1975 FSB recipients remained on the program until benefits were exhausted. The median time lapse between exhaustion and re-employment was 13 weeks. The average recipient collected 47 weeks of benefits totalling $3,200; this represents 88 percent of their total dollar entitlement.

Benefits from other transfer programs were collected by relatively few FSB households either before or after the end of the period of UI collection, except for Social Security (27 percent).

Mean household income would have been $2,500 lower during 1975 without UI, assuming no behavioral adjustment to the loss of UI. In the absence of UI, 20 percent more of the 1975 FSB households would have had household incomes below the poverty threshold than actually did in 1975.

Note: Two other UI-related, CETA-funded research projects are currently underway by the Unemployment Insurance Services (UIS) within the Employment and Training Administration.

The first, a 2-year study by the Contract Research Corporation (contract no. 99-8-798-04-11), scheduled for completion December 31, 1979, is designed to evaluate and further develop the eligibility program for unemployment insurance claimants. Its major objective is to test the effectiveness of the program in terms of benefit cost savings and claimants' return to work.

A second study by Mathematica Policy Research (contract no. 99-9-805-04-2), to be completed in June 1980, is focusing on the development of data collection and analytic methods to be used in conjunction with the Continuous Wage and Benefit History (CWBH) data bank system in order to obtain information on the full length of spells of unemployment of UI claimants. A second objective is the development of a theoretical framework to examine the incidence of the exhaustion of entitlement to UI benefits.

Economic and Social Issues

A significant portion of current research efforts address broad labor market issues rather than specific programmatic concerns. Such findings may sometimes have clear policy implications but more frequently their major contribution is to the general body of knowledge about the mechanisms and processes that directly or indirectly affect a broad array of employment problems.

National Longitudinal Surveys

The National Longitudinal Surveys (NLS) were initiated in 1966. 1/ The Employment and Training Administration originally funded the NLS because it recognized the limitations of cross-sectional surveys in providing information on employment, unemployment, the mobility of workers, and other labor market experiences. Longitudinal surveys, which collect information from the same group of people periodically over an extended period of time, provide information on the process of change, have predictive value, and can be effective in pinpointing when and how socio-economic problems arise.

The surveys include four samples of 5,000 persons each for four subsets of the population at critical transition stages in working life: Young men (aged 14-24 at the initiation of the surveys) and young women, who were recent entrants to the labor force; women, aged 30-44, who were likely to be returning to the labor force after their last child enters school; and men, aged 45-59, who are in their pre-retirement years. The population samples were selected to permit valid analysis and comparisons between whites and blacks.

The ETA now has begun the support of a new cohort of the NLS. The new panel consists of 13,000 young men and women, aged 14-21, with over-representation of black, Hispanic, and poor white youth. The objectives of the survey include: (1) assessing various types of public programs that are designed to improve the employment experience of youth; (2) exploring in greater depth than has hitherto been possible the economic,

---

1/ "National Longitudinal Surveys of Labor Force Behavior," conducted by the Ohio State University Center for Human Resource Research and Bureau of the Census Demographic Surveys Division (ongoing).

social, and psychological factors responsible for variations in youth labor force behavior; and (3) analyzing the impact of a changing socioeconomic environment on the educational and labor market experiences of youth by comparing data from the new youth cohorts with those yielded by the earlier NLS samples of young men and young women. Interviews for the new youth cohorts were begun in January 1979.

To date, 18 research monographs and several hundred articles have been published analyzing NLS data. There also has been a series of Secretary of Labor Invitational Conferences on the NLS. These conferences were aimed at communicating the needs of DOL policymakers to scholars working with the NLS data and encouraging them to focus their research more specifically on those policy issues of concern to the Department.

Older Male Workers. Among the most recent NLS reports is one that yields substantial preliminary data on the labor market experiences of the NLS sample of older men over a 10-year span (1966-1976). 1/

The study notes that, over this period, family income per capita (adjusted for inflation) rose from $5,250 to $10,500 for whites and from $2,750 to $4,750 for blacks. At the same time, the proportion of men in the older age group who had dependents other than their wives shrank from 60 percent in 1966 to about 23 percent for white men and 31 percent for black men in 1976. The combination of these factors undoubtedly accounted for the better overall economic status of men in the older age group.

Conversely, the report points out that deterioration of health, associated with aging, had a negative effect on earnings. In 1966, less than one-fourth of the men in the sample suffered from a work-limiting health problem; 10 years later, the proportion had risen to about two-fifths. For blacks, in 1976, the proportion was even higher--almost one-half. On average, the existence of a health problem reduces a respondent's earnings by half, and, in most instances, a wife's earnings and other sources of income are not able to fully replace this loss.

1/ Center for Human Resources, From the Middle to the Later Years: Longitudinal Studies of the Pre- and Post-Retirement Experiences of Men (Washington: The Ohio State University for the U.S. Department of Labor, Employment and Training Administration, 1979).

The report also sheds light on the effects of job displacement. For men who had been with their current employer for at least 5 years at the time of the initial survey in 1966 and then laid-off, about two-fifths moved directly into new jobs with no unemployment. About one-fifth, however, were unemployed for at least 6 months. The most serious long-term impact of displacement was not unemployment but a deterioration in earnings and occupational status. In addition to economic losses, there was evidence of psychological costs as well.

Regarding retirement, the study notes that of 1,600 members of the sample who had retired by 1976, only 3 percent reported that they had been forced out of the labor market by mandatory retirement rules. Forty-six percent had retired because of poor health, and the remaining 51 percent retired voluntarily. The study also looked into the theory that substantial numbers of retirees would be eager to work if they had the opportunity. The survey data indicate that roughly one-fifth of retirees are doing some type of market work, and of the remainder not in the labor force, 3 percent respond unconditionally in the affirmative to a hypothetical job offer, while over 80 percent respond unconditionally in the negative.

Teenage Unemployment. A study on teenage unemployment relates the experience of unemployment for teenage youth in 1967 to their labor market behavior 8 years later. 1/ The researchers found that for white youth, unemployment is associated with a positive effect on later job prospects since they later move into better-paying jobs. Black youth, on the other hand, have a more "mixed" experience. While those who had short spells of unemployment in their teens were better off economically as young adults in 1975, those who had experienced long durations of unemployment as teenagers had far lower wage rates 8 years later. The study also showed that black youth who had training during the 1967-1975 period suffered less from long spells of unemployment.

1/ Brian E. Becker and Stephen M. Hills, Teenage Unemployment: Some Evidence of the Long-Run Effects on Wages (Washington: Ohio State University for the U.S. Department of Labor, Employment and Training Administration, 1979).

Impact of Vocational Education. A recent study based on NLS data, focuses on the relationship between high school curriculum and subsequent educational and employment experiences of youth. 1/

Among the findings are: (1) While there is no clear evidence of labor market advantage of vocational education for young men, there are consistent employment benefits for young women; (2) male vocational students have less information about career opportunities than do their counterparts in the general curriculum; (3) compared with the general program, vocational education is associated with lower occupational aspirations and fewer years of school completed; and (4) post-high-school training has a positive effect on the early labor market success of both blacks and whites, high school dropouts and graduates. However, post-school training appears to show an economic return that is greater for former vocational students than for those in general education programs.

Women's Job Aspirations. Among the studies on the young women's cohort of the NLS is one which points out that while there have been dramatic changes in women's attitudes toward working outside the home, as well as in their actual participation in the workforce, women's job aspirations continue to lag behind their labor force gains. 2/ Following the educational and labor market experience of young women over a period from 1968-1973, one study found that, when asked to state career goals, female respondents continued to select jobs in fields where historically women have predominated. Further, young women consistently underestimated their future labor force attachments. For example, young women between the ages of 14 and 24 were asked whether they expected to be working at the age of 35. Their responses were then compared with the actual work experience of women between the ages of 30 and 44. For whites, about 29 percent of the young women in the NLS sample expected to work at the age of 35, while in fact 46 percent of women between the ages of 30 and 44 do work. For blacks, 59 percent of women in the surveys expected to work, while 67 percent of women between 30 and 44 actually work. These perceptions on the part of younger women undoubtedly affect their educational and training decisions.

1/ John T. Grasso and John R. Shea, Vocational Education and Training: Impact on Youth (Washington: Carnegie Council on Policy for the U.S. Department of Labor, Employment and Training Administration, 1979).

2/ Years For Decision, Vol. 4, Monograph No. 24, (Washington: U.S. Department of Labor, Employment and Training Administration, 1978).

Female Heads of Households. Findings from a NLS study analyzing the socioeconomic status of women heads of households show that marital disruption frequently constitutes an economic "disaster" for women. 1/ On average, family income is cut in half during the transition year when the divorce, separation, or death of husband occurs. The study also points out that black female heads of households are more severely disadvantaged in the labor market than are whites. Black women heading households are less likely to be employed; and if they work, they hold lower status jobs than their white counterparts.

The economic differences between mature black and white women heads of households reflected in large part the fact that black women were less likely to have completed high school. In addition, black women were more likely to have a health problem which limited the amount or kind of work they could do.

The labor market problems of the NLS cohorts--older workers, mature women and youth--are major public policy concerns, and the NLS is expected to continue to yield information of crucial importance about these groups.

Occupational Licensing

Earlier research has found that restrictive State occupational licensing practices and a growing body of related occupational licensing laws reduce employment opportunities and unduly restrict job entry and mobility of workers.

Using a long-term educational and technical assistance approach, the Educational Testing Service, sponsored by DOL, solicited the cooperation of a variety of State government service organizations, consumer groups, and individual State officials to promote a variety of State-level licensing reform activities. 2/ These remedial efforts have already resulted in legislative and/or administrative changes in occupational licensing requirements in more than 25 States.

1/ Frank Mott, The Socioeconomic Status of Households Headed by Women: Results from the National Longitudinal Surveys, R&D Monograph No. 72 (U.S. Department of Labor, Employment and Training Administration Monograph, forthcoming).

2/ Educational Testing Service, "Cooperative Action to Improve Occupational Regulation."

Acting as a catalyst to State reform activities, the project has provided State policymakers with an incentive for change and has encouraged public interest groups to support and promote reforms nationally as well as in their own States. Specific publications proposing model statutes and administrative procedures have provided limited technical assistance to those States that lack sufficient staff or resources to initiate their own remedial activities. Many of these recommended changes already have been incorporated into State legislation.

The project is also developing guides and resource material for a handbook that will help interested groups institute licensing reforms. The aim is to produce more job-relevant entry requirements and more valid competency measures for specific jobs.

Quality of Work Life

Several demonstration projects are examining the effectiveness of joint labor management committees in bringing about improvements in productivity and the quality of working life (QWL) in both the private and public sectors. 1/ Preliminary findings indicate that both employers and unions are apprehensive about embarking on cooperative ventures that contrast sharply with traditional adversarial relationships and some management styles. Given these difficulties, it is not surprising that interim results from DOL-sponsored QWL projects have been mixed, although employee enthusiasm has generally prevailed. Evaluations of these projects will be completed in the next two years.

A technical assistance guide for State-level quality of work life centers starting throughout the United States is being developed from the experiences of the Massachusetts Quality of Work Life Center.

A clearinghouse function on quality of work life issues was established at the Work in America Institute, Inc. in Scarsdale, New York. 2/ The Institute has produced a series of publications designed to help management and labor officials with new approaches to productivity and the quality of working life as well as served as a center for information and technical assistance.

1/ Massachusetts Quality of Working Life Center, "The Development and Evaluation of Three Demonstration Projects Using Management-Labor Committees to Improve the Quality of Working Life" and the University of Michigan, "On-Site Evaluation of a Quality of Work Improvement Program in San Diego City Government."

2/ Work in America Institute, Inc., "Demonstration Project for the Establishment of a Domestic Clearinghouse and Information Network on Productivity and the Quality of Working Life."

Alternative Working Schedules

Trading Pay for Leisure. In a 1978 exploratory survey of work-time preferences among American workers, it was found that the majority of those surveyed expressed a willingness to forego most of a ten percent gain in earnings in exchange for some type of free time. 1/ The way in which potential free time can be scheduled, however, is a major determinant of whether individuals are willing to trade and how much of a reduction in potential or current earnings they will accept. Longer vacations and sabbaticals elicited the greatest willingness to forego earnings. Earlier retirement was the next preference, followed by reduced workweeks and shorter days.

Reported time-income tradeoff preferences varied with social characteristics. For example, parents in dual earner families, persons with high incomes, and women in general, typically had greater than average willingness to trade income for increased leisure time. However, it is important to note that the differences among groups were not dramatic and that a substantial interest in more free time was evidenced by all subcategories of the sample.

Flexible Work Week. Results from two case studies of a manufacturing and an insurance firm that established a four-day work week indicated that workers preferred the non-traditional schedule and felt that their work life and leisure time were better as a result. 2/ Differences between workers in the two types of firms were noted, however, The literature search phase of a similar project, still in progress, indicates that non-traditional work-schedule arrangements are being tried increasingly in the U.S., usually with success from the viewpoint of both workers and firms. 3/

1/ Fred Best, Exchanging Earnings for Leisure: Findings of an Exploratory National Survey on Work Time Preferences (Washington: National Commission on Employment Policy for the Department of Labor, Employment and Training Administration, 1979).

2/ See Ronald L. Nuttall and Helen Madfiz, Rearranged Work Schedules, (Washington: Boston College for the Department of Labor, Employment and Training Administration, 1979).

3/ Columbia University, "Rearranged Work Schedules in the Private Sector: Part A."

Hispanic Americans

In fiscal 1977, a special funding effort was initiated in support of a wide variety of research projects designed to increase knowledge about the economic status and employment needs of Hispanic groups. Another objective was to determine whether any specific policy and program strategies for enhancing this group's employment and earnings were suggested by the results of these studies.

To initiate this special effort, 31 small developmental grant study awards were made in fiscal 1977 to universities, community groups, and State and local agencies to study problems of Hispanic Americans at local and regional levels in various geographic areas. These studies focused on developing a better understanding of Hispanic experiences in the labor market and in human resources development programs. In the second year, seven larger and more nationally focused research projects were awarded. These studies are focusing on the nature and extent of Hispanic participation in both public and private employment, income determinants, on-the-job experiences and causes of discrimination, participation in apprenticeship programs, and the labor market experiences of Mexican American college graduates.

Other ongoing projects that include Hispanics as part of the overall study population include: (1) A national longitudinal follow-up survey of the school-to-work experiences of youth; (2) a national study of CETA bilingual vocational training programs for persons of limited English-speaking ability; (3) a demonstration program for placing minority women and men in professional and managerial jobs; (4) a study of Puerto Rican migration patterns and experiences; and (5) a study of job search behavior and experiences of Mexican Americans in two Southwestern cities.

A substantial number of these studies are expected to be completed this year. Accordingly, a synthesis of current knowledge about policy, program, and research issues that relate to Hispanic American labor market problems is being prepared. The "state-of-the-art" paper is expected to become available in 1980.

Women in the Labor Force

The increasing labor force participation of women is a major research and policy issue for the Department of Labor. One project examined the long-range projections of female labor force participation and attempted to anticipate some of the

policy issues that will arise because of women's continued movement into the labor market. 1/

The study estimates that an additional one million women a year will enter the labor force in the period 1978 to 1990. Based on these predictions, the authors suggest that the growth of alternative work schedules be encouraged, that child care services be expanded, that employment and training activities to help women make the transition from home to work be promoted, and that certain provisions of the personal income tax and social security system be changed to accomodate families with two wage earners.

Older Workers

A compendium of research findings on older workers was completed to serve as a guide for funding R&D efforts on this topic over the next several years. 2/ The summary includes a systematic examination of basic statistical data, a review and evaluation of older worker programs, and an analysis of older worker policy issues and priorities. In addition, it recommends research and development projects for the study of job-seeking behavior and the discouragement process; the effects of earnings on the retirement decision; voluntary part-time employment; tapered retirement; skilled workers as trainers of younger unemployed and underemployed persons; and factors that influence early withdrawal from the labor force. The report has been widely distributed to individuals and organizations that plan research on the older worker.

1/ Ralph E. Smith, Women in the Labor Force in 1990 (Washington: The Urban Institute for the U.S. Department of Labor, Employment and Training Administration, 1979).

2/ Harold L. Sheppard, Research and Development Strategy on Employment Related Problems of Older Workers (Washington, American Institute for Research for the U.S. Department of Labor, Employment and Training Administration, 1978). (Soon to be published as R&D Monograph No. 73).

Immigration

Undocumented aliens from Mexico have been the subject of several research studies over the past several years. The findings from these studies (based on interviews with apprehended undocumented aliens or with aliens who have returned to Mexico) are consistent in showing that these persons are predominantly young men, poorly educated, with a limited command of English, who come to the United States to find work, and who send much of their earnings back to their families.

Research now has been completed that analyzed data collected from a large sample of non-apprehended undocumented aliens. 1/ The study involves examination of data on almost 3,000 undocumented aliens, nearly all from Mexico, who were clients of an immigrant service center in Los Angeles while seeking to legalize their status in the United States. Most of the respondents were married, many had children, and the sample included a substantial number of women (about one-third). The respondents had been in the U.S. somewhat longer than samples of apprehended aliens, and the men had somewhat better-paying jobs.

The researchers found evidence that aliens were paid less than others in the labor market. For example, their earnings were lower than Hispanic Americans, who in turn had earnings that were lower than those of the total population in comparable jobs. Moreover, there were only slight differences in earnings among male aliens in jobs of far different skill levels and socioeconomic status.

Recent research on legal immigrants to the United States, specifically a group of permanent resident aliens first interviewed in 1970, showed that they resemble the United States population demographically in terms of age mix, levels of education, and marital status. 2/ They earn more in the United States than in their countries of origin and work fewer hours per week. Women immigrants in the group quickly earn more than their native-born counterparts in the labor market. However, after 7 years, the immigrant men were approaching, but had not yet reached the earnings levels of their native-born counterparts.

1/ Maurice Van Arsdol, Jr., Joan W. Moore, and David M. Meer, Non-Apprehended and Apprehended Undocumented Residents in the Los Angeles Labor Market: An Exploratory Study (Washington: University of Southern California for the U.S. Department of Labor, Employment and Training Administration, 1979).

2/ David S. North, Seven Years Later: The Experiences of the 1970 Cohort of Immigrants in the U.S. Labor Market (Washington: New TransCentury Foundation, Inc. for the U.S. Department of Labor, Employment and Training Administration, 1978).

Related research that is currently underway is comparing the earnings, employment, and labor force participation of immigrants and their native-born children. Separate analyses are being undertaken for men and women and for different race/ethnic groups, including Mexican, Cuban, Black, Asian, and White (non-Hispanic). 1/ Other ongoing research includes an examination of the characteristics and labor market role of non-immigrant aliens in the United States, e.g., temporary workers, students, and exchange visitors. 2/

1/ University of Illinois, "Analysis of the Earnings: Employment and Impact of Immigrants to the U.S."

2/ New TransCentury Foundation, Inc., "Nonimmigrant Workers in the U.S.: Current and Future Implications."

ETA Research and Development Plan For Fiscal 1980

MAJOR RESEARCH THEMES

Title III, part B, section 311(a) of the Comprehensive Employment and Training Act directs the Secretary of Labor to establish a comprehensive program of employment and training research to aid in the solution of the Nation's employment and training problems. Annual research and development plans are developed around a series of goals and objectives set for the Department by the Secretary (see introduction) and the specific areas of research responsibility defined by the Comprehensive Employment and Training Act. They must remain flexible and responsive to changing needs and priorities during the year and be adjustable to the availability of appropriate research, experimental, and demonstration sites, the ability to engage competent contractors, and constraints on money and personnel. Within these constraints, major themes for research and development efforts in fiscal 1980 are as follows: 1/

- Strengthening and improving the efficiency and effectiveness of the employment and training system.
- Researching and experimenting with welfare reform and large-scale job creation.
- Seeking solutions to the problems of the hard-to-employ.
- Investigating broad economic and social issues and trends affecting employment and training policy and programs.

1/ A detailed listing of ORD's work agenda for fiscal 1980, with plans for specific projects and activities, is contained in the appendix. A similar discussion of major research themes was printed in the 1979 Employment and Training Report of the President (pp. 211-216), although there have been some modifications in the 1980 plan since publication.

Strengthening the Employment and Training System

Under the 1978 CETA Amendments, R&D projects will focus on the need for developing increased private sector involvement in CETA and improved coordination and effectiveness of all program components, especially public service employment (PSE). Planned research seeks to determine where good linkages have been developed by prime sponsors, whether these linkages are new or continuing, and how they affect the structurally unemployed served under title II of CETA, beneficiaries of PSE programs (titles II and VI), and the disadvantaged employed in private sector opportunities (title VII).

Other planned efforts called for under the CETA reauthorization legislation include demonstrations that will assist in providing for expanded guidance and counseling services to CETA participants and a special experimental program to develop a viable strategy for linking employment and training activities with local private economic development. Demonstrations of this nature typically require 3 to 4 years to complete, including design, operational testing, and analysis phases. Successful demonstrations will then be ready for incorporation into the employment and training system.

Previously, the R&D program was directed to answer a series of basic policy questions concerning the U.S. Employment Service. Among the questions considered were: What should be the role of USES? Whom should it serve? Should it be only a labor exchange, or should it be expected to handle workers with special employment problems? The improvement of USES operations will receive increased attention through a series of feasibility studies and R&D projects. The overall R&D program objective is institutional change and improvement in USES functioning as a labor market intermediary.

For example, a nationwide survey of local employment service offices should give a better picture of their structure, operations, and daily work environments. Experimental techniques to reduce cancellation of USES job orders and increase the number of filled openings will be field tested. A number of local office test sites should be fully operational in 1980 and will serve as laboratories for continuing research and experimentation to improve services to clients. Experiments that improve the productivity of local offices in the test will, it is hoped, be applied more widely to stimulate the output of all offices.

From these research efforts also, factual information, feasibility tests, and new techniques and employment service pilots and prototypes can be developed to strengthen further USES operations. These studies will directly or indirectly address the Secretary's 1980 research hypotheses about the benefits of Employment Service (ES) to its users, while the Office of Evaluation studies focus on assessing the impact of the various services that are offered.

Depending upon the outcome of deliberations by the National Commission on Unemployment Compensation, a study will be launched to investigate how the administration of the Unemployment Insurance system can be modified to reduce the unemployment rate. This project is also responsive to a Secretary's research hypothesis (no. 7).

The Federal-State apprenticeship system will also come under review. Among the major study areas identified for review in 1980 are methods that can be developed for expanding apprenticeship into growing industries and occupations, improving the quality of existing apprenticeship programs; facilitating access to apprenticeship for groups traditionally underrepresented in the system; and improving or forgoing linkages between apprenticeship and other employment and training systems. Specific projects will be selected in cooperation with the BAT Research, Development, and Evaluation Committee.

Welfare Reform and Job Creation

Recently, programs that attempt to serve the neediest through public assistance or job creation have come under close public scrutiny. The aims and methods of these programs are being reassessed with the long-range goal of welfare reform. Under the 1978 CETA Amendments, the Secretary of Labor is authorized to test various ways of helping persons on public assistance find private and public sector jobs or to provide work and training programs for individuals unable to obtain such employment.

ORD began its welfare reform research with the funding of the experimental Minnesota Work Equity Program (WEP). This project seeks to demonstrate the capability of publicly funded institutions to create training and large-scale job opportunities for those receiving aid to dependent children, general assistance, and food stamps. ORD support for the project will continue until the concept is fully tested and the research data are analyzed. Project completion is likely by 1981. It is hoped that this particular project can help develop a useful model for welfare reform.

To a considerable extent, WEP has already served as a prototype for a series of major Welfare Reform Pilot Projects, which the Department has undertaken in fiscal 1979. The projects, one of the major financial commitments of the Department, which should be completed by fiscal 1982, are designed to test different models for moving public assistance recipients into regular public and private sector jobs.

Another series of related projects, supported by Work Incentive (WIN) Program R&D funds, will also focus on the employable welfare population, principally those within the WIN Program. A major effort will be the continuation and expansion of the WIN R&D laboratories. This effort seeks to develop improved programmatic approaches for increasing the effectiveness of WIN in providing private sector employment for female heads of households, a target group specified by Secretary's research hypothesis number 9. Although the Administration has proposed dramatic changes to the current welfare system, this focus on improving WIN is necessary for several reasons. Should the Administration's welfare reform program be enacted, it will still be several years before it becomes effective, and in the meantime, WIN will continue to be the primary vehicle for increasing employment for that population. In addition, whatever approaches are developed and refined in these projects to improve WIN operations can also be incorporated into the services provided under any reform program. For these and other reasons, plans call for continued support of WIN R&D laboratories.

Finally, a continuing major demonstration focusing on female heads of households on welfare is testing whether long-term, high quality skill training can significantly raise income levels and effect a transition from welfare dependency to economic self-sufficiency. Training of this type is being conducted in Chicago and Columbus, Ohio, to test whether welfare mothers can be provided with skills that will enable them not only to be employable but also to become self-supporting. While not specifically addressing the Secretary's hypothesis concerning the relative merits of intensive, as opposed to extensive, training for the disadvantaged (hypothesis no. 10), this study will obviously contribute to an understanding of the issue.

Solutions to Problems of the Hard-to-Employ

The incidence of unemployment differs considerably throughout the labor force with certain groups chronically and severely affected. A major R&D program theme concerns the search for solutions to these employment problems through the development of intervention models, demonstrations, and experiments.

Fiscal 1980 R&D plans that address these difficulties will focus on the needs of those groups identified in the CETA reenactment as having persistent employment problems, such as both younger and older workers, persons of limited English language proficiency, economically disadvantaged women, single parents, displaced homemakers, migrant and seasonal farmworkers, veterans, the handicapped, and native Americans.

Consonant with national policy to reduce severe structural unemployment problems is the Supported Work Program, an ongoing effort of special significance that will continue into fiscal 1980. This program will develop an additional tool to reach those groups not currently being served in large numbers by the regular CETA system. Supported work is a transitional work-experience program designed to increase the employability of juvenile delinquents, ex-offenders, ex-addicts, the emotionally handicapped, and welfare mothers who, because of past work histories, cannot secure regular jobs. The feasibility and cost effectiveness of this program are areas marked for exploration during 1980 in the Secretary's hypotheses (no. 6).

Since the CETA reenactment has authorized expansion of supported work programs, several additional experimental and demonstration efforts are planned for fiscal 1980. These tests of the supported work concept in different formats and models would require 2 to 3 years of operation to determine their effectiveness in dealing with the especially hard-to-employ groups they serve.

Intensive study will also be made of the use of work sharing, tax credits, and alternative employer financial incentives that can be used as tools to increase the transition of persons from CETA training and PSE programs into unsubsidized private and public jobs.

Other efforts pertaining to youth would include a number of small-scale demonstrations to examine alternate approaches to enhancing their employability. Such efforts would include a work-experience demonstration where youth would be taught to maximize what they learn from various job experiences, a demonstration concentrating on dropouts from employment and training programs to determine if they can be helped by individualized treatment, and an effort to test the effectiveness of various job-finding methods.

Other planned R&D efforts that focus on the special needs of particular groups are as follows:

- To improve employment opportunities for native Americans, a series of projects will focus on various aspects of job creation through economic development and strengthened CETA services to reservation Indians.

- In support of the Administration's continued concern with unemployed veterans, R&D will emphasize restoration of emotionally disabled veterans to an employable status.

- To learn more about job opportunities and labor market obstacles to the employment of women, research efforts will analyze National Longitudinal Surveys data and develop a model of women's occupational adjustment in the labor force focusing on entry, reentry, wages, and unemployment experience.

- The special employment problems of offenders will continue to receive R&D attention. An important planned initiative is a study of the relationship between unemployment and crime and its policy implications.

- The increase in the number of older workers, their employment problems, and the program and policy issues they pose is of national concern. Areas of study will include the extent to which older workers are employed, are seeking employment, or have given up job search efforts; "tapered retirement"; job creation for persons

over age 45; and effects of the social security earnings test on the desire to continue working or to seek full retirement. Special attention will be devoted to the employment-related problems of older minority workers.

- Crosscutting all worker groups are various artificial barriers to employment. Plans call for the development of four CETA laboratories in which prime sponsors and researchers would collaborate in seeking solutions to the problems, issues, and obstacles involved in worker access to jobs based on considerations of client mix, labor market characteristics, and personal, social, cultural, and institutional impediments to job entry.

Economic and Social Issues

Economic and social issues and trends have an important bearing on the development of employment and training policies and programs. Because of this, R&D efforts will focus on a variety of these current issues such as health, work sharing, and other flexible hours arrangements, delivery of employment and training services to rural areas, job discrimination, undocumented aliens, and the quality of worklife as it relates to productivity.

In the health services area, research will be directed at the potential impact of a national health program on employment and training activities.

A major ongoing effort for which continued support is planned in fiscal 1980 is the National Longitudinal Surveys (NLS) project. As described in a previous section, the NLS represents a long-term investment in the study of the labor market experiences of the same groups of persons over a period of years, 1/ with measurements taken of a variety of economic, sociological, and psychological variables.

1/ Men 45 to 59 years of age, women 30 to 44 years of age, and young men and women 14 to 24 when the surveys began.

Two new youth cohorts recently added will be carefully followed to help understand the employment problems of contemporary youth. With the addition of this new dimension, the surveys should prove of even greater value as a data base for the development of responsive employment and training policy and programs.

A major initial effort to be undertaken in 1980 is a study or series of studies that will examine the feasibility of achieving a 4 percent unemployment rate and a 3 percent inflation rate, the first of the 1980 research hypotheses enumerated by the Secretary. This effort will analyze the appropriate level and mix of programs that might be used to achieve the objectives of the Full Employment and Balanced Growth Act.

A related area of study, also one of the Secretary's hypotheses, will explore the uses of public service as a countercyclical tool. Evidence is needed on how PSE compares with other fiscal policies (such as tax cuts, revenue sharing, and public works) in terms of multiplier effects, lags in implementation and impact, and effects on inflation.

R&D BUDGET AND STAFFING

R&D Budget

In fiscal 1978, funds available to ORD to conduct research and development projects totaled $36.3 million, consisting of a $13.0 million base budget, $1.3 million in WIN funds, $16.3 million from the CETA Title III national programs account, and $5.7 million from other sources.

In fiscal 1979, ORD also received a $13.0 million base budget that was committed almost completely to the support of a number of high-priority projects such as Supported Work and the Minnesota Work Equity Program. Similarly, $1.3 million in WIN funds was fully committed to research projects concerned with the WIN Program's client population.

The proposed CETA R&D base budget for fiscal 1980 matches the 1979 level. Availability of resources from other Federal agencies can only be estimated at this early date. Estimated fiscal 1980 resources will permit continued funding of several major ongoing demonstration efforts, a few new R&D initiatives primarily in support of operational programs, and limited attention to the problems of special target groups.

A summary tabulation of R&D funding sources for fiscal years 1978-1980 is shown below:

Source of funds	Fiscal Year 1978	1979	1980
	(Millions)		
CETA title IIIB (base budget)	$13.0	$13.0	$13.0
WIN R&D Budget	1.3	1.3	1.3
Title III National Programs	16.3	13.0	3.6 1/
Other Federal programs	5.7	14.9	1.0 1/
	36.3	42.2	18.9 1/

1/ Estimated

Note: During the time between submission of this report to the Congress on November 30, 1979 and final printing, this table was revised to incorporate later data. Originally, the amount of Title III National Programs for FY 1979 was shown as 12.4 million; no estimates were previously available for Title III National Programs or Other Federal Programs for FY 1980.

R&D Staffing

The R&D program at present is conducted entirely through grants and contracts with universities and the private research community. Although organizational realinement is planned, ORD is also presently responsible for a doctoral dissertation and small grants program to stimulate individual scholars to do research on employment and training problems, the institutional grant program to develop college-level training in support of the employment and training system, and the preparation of the Employment and Training Report of the President.

The fiscal 1979 staffing ceiling for these activities consists of 62 permanent full-time positions, consisting of 47 professionals and 15 support staff. The prospective ORD staffing level for the end of fiscal year 1980, consistent with the 1980 appropriation, is 43 positions.

EVALUATION

Study Findings

This section summarizes major findings of program evaluation studies. Footnotes identify the specific evaluation reports to be consulted for more detailed information. Since evaluations are not scheduled for completion at the beginning or end of a fiscal year, the evaluations cited include some that were completed in fiscal 1978 as well as others received in fiscal 1979 as of the time this summary was prepared. Where it is considered applicable, interim reports are included, particularly in those cases where program startup activities are being examined. Also, it should be noted that most of the evaluation activities are directed to CETA activities before the October 1978 legislative revisions, although the findings cited usually have continuing relevance to the current program.

It must also be noted that the findings reported herein do not distinguish between participants enrolled in counterstructural programs and those enrolled in countercyclical programs. Clearly, the objectives of the two types of programs can be quite different and so outcome expectations are different also. Participants in counterstructural programs can reasonably be expected, ceteris paribus, to earn more income after their enrollment than they would have received had they not participated in the program. The earnings expectations for countercyclical program participants, on the other hand, are simply to regain the earned income in their post-recession return to unsubsidized employment that they would have had if they had not been laid off during the recession.

Although the new CETA programs following implementation of the 1978 amendments clearly distinguish between counterstructural programs for the economically disadvantaged under title II (and title IV) and the countercyclical PSE program under title VI, the program goal differences are rather more difficult to establish under the original act. This distinction is not crucial to interpretation of evaluation findings to date, but it will become so when "net impacts on earnings" are examined in the months ahead.

The summary findings of evaluations pertaining to CETA are grouped under seven broad themes:

1. Who is served by the major decentralized CETA programs?

2. How do the participants fare, on employment and earnings, after going through CETA programs?

3. How has the CETA decentralized system developed?

4. What are the highlights of evolving experience with several approaches to public service employment?

5. What have we learned about stimulating private sector involvement?

6. Is the intensive Job Corps approach to problems of disadvantaged youth effective?

7. What are major lessons of early experience with the two new youth programs for which funds were provided to all CETA sponsors?

A final section notes several other studies of programs outside the CETA framework.

Who is Served?

Who does the CETA decentralized system serve? What have we found out about the characteristics of enrollees (age, sex, race, etc.) and about their pre-enrollment employment experience? This section highlights the demographic makeup of CETA enrollees, as well as their labor market experience in the year before they entered the programs.

The information is distilled from the Continuous Longitudinal Manpower Survey (CLMS) of a national sample of enrollees who entered CETA decentralized programs in fiscal 1977, the most recent full year for which detailed interview data are now available. 1/

1/ CLMS Report No. 8, "Characteristics of Enrollees Who Entered CETA Programs During Fiscal Year 1977." Prepared by Westat, Inc. for Employment and Training Administration from data gathered by Bureau of the Census. (Comparable reports for fiscal 1978, separately for adult-oriented and youth programs, are scheduled for completion late in 1979.)

New enrollees that year in programs run by prime sponsors under what were then titles I, II, and VI of CETA totalled nearly 1.3 million. (There were nearly a million more enrollees in summer youth programs under title III; this group is not discussed further in this section.) By type of program, the distribution was:

Public service employment (PSE)	35%
Classroom training (CT)	21%
Work experience: youth (YWE)	20%
On-the-job training (OJT)	9%
Direct referral to job (DR)	8%
Work experience: adults (AWE)	7%

The programs gave substantial emphasis to youth (under age 22) with about 42 percent of the 1.3 million enrollees in this category. Nearly half of these youth were in work programs geared to youth alone, but over half were in the programs oriented primarily to adults. Youth represented almost 40 percent of enrollees assigned to classroom training, some one-third of those in OJT, and a fifth of all PSE enrollees.

CETA programs also focused heavily on minorities: 45 percent of the enrollees were from a minority group (black, Hispanic, or other). The proportion was lowest in OJT (33 percent) and PSE (36 percent), highest in YWE (54 percent) and CT (52 percent). A further breakdown by sex shows 44 percent of the enrollees were women. The proportion was lowest in OJT (32 percent) and PSE (36 percent), reflecting in part a relatively high enrollment of veterans (28 percent of PSE enrollees). The highest proportion of women enrolled was in CT (56 percent).

In terms of education, some 13 percent were still in high school (largely in in-school youth work programs), while 27 percent were high school dropouts, 38 percent had completed 12 years of schooling, and 22 percent had more than 12 years of education.

Perhaps a more significant way of characterizing the CETA enrollees, at least those in the adult-oriented programs, is by their prior employment and earnings experience. Overall, CETA enrollees were employed for only about a third of the year before entering the programs. On average, about 40 percent of the pre-entry year was spent unemployed and some 28 percent of the time out of the labor force (defined as primarily in school or some other primary activity, although there may have been some job seeking or part-time employment). Earnings data show that in the pre-entry year, over half earned either nothing or under $1,000. Only 20 percent earned over $4,000 during the year.

These aggregate data obscure several significant distinctions, however. There were three fairly distinct enrollee groups, along with a fourth group that does not fall clearly in the three major categories:

(1) One group was "predominantly employed" in the pre-CETA year, defined as employed 90 percent or more of the year (out of work no more than 5 weeks). They constituted 10 percent of all enrollees in the adult-oriented programs. Perhaps a quarter of these were in part-time employment, and many had held low-wage jobs. On the other hand, over 40 percent of them earned more than $6,000 during the pre-CETA year.

(2) A second group, the largest, was "predominantly unemployed" in the pre-CETA year. This was defined as unemployed, basically looking for work, for over half the year. About 38 percent of the fiscal 1977 enrollees were in this category, which would generally fall within a definition of "structurally" unemployed. Some 70 percent of this group earned less than $1,000 in the pre-CETA year, and none earned over $6,000.

(3) The third category, about 27 percent of the enrollees, were "predominantly not in the labor force"; that is, they spent more than half of the pre-CETA year primarily in school or not seeking work because of family responsibilities, ill health, or other reasons. Women and youth predominated in this group, which can be characterized basically as entrants or reentrants to the work force.

Most had virtually no earnings during the pre-CETA year: 85 percent had zero or less than $1,000 of earnings and almost all the others earned under $3,000. For this sizable group, the program served to facilitate entry to employment.

(4) The final grouping consisted of those who did not fall in any of the earlier categories; about 24 percent of the enrollees were in this residual group.

About half were employed most of the year (but not as much as 90 percent) and had extensive unemployment (but for less than half the year). Some 45 percent had earnings over $4,000, and 20 percent earned between $3,000 and $4,000. At the lower end of this group were workers with a mix of little employment, some unemployment, and some time out of the labor force. They made up the third of this group that had limited earnings (under $3,000).

There is some variation, though not very large, in the extent to which these different groups of enrollees were represented in the several major types of programs. The PSE programs enrolled a larger proportion of the predominantly unemployed (44 percent vs. 31 percent for the other three major programs), while OJT enrolled the smallest proportion of such long-term unemployed, 27 percent. More CT enrollees were predominantly not in the labor force (32 percent) than the proportion in the other adult programs combined (24 percent).

Finally, on the measure of family income, about two-thirds of the enrollees were "economically disadvantaged," that is, the family income in the year prior to entry, related to family size and location, was below the Federally specified "poverty" levels for that year. 1/ In dollar terms, about half of the enrollees' families had total family income (including welfare or other public benefits) of under $5,000 in the pre-entry year.

CETA Participants' Experience

How do CETA participants fare, on employment and earnings, after going through the programs? The most comprehensive data thus far available, on postprogram experience and how it compares to pre-program experience, are from the CLMS tracking of a national sample of fiscal 1976 CETA entrants about 18 months after they entered CETA. 2/ This followup report does not contain data on a comparison group and so cannot compare the experiences of program participants with those of a similar group of persons who did not participate as a means of determining net benefits. Subsequent reports will include comparison groups in order to estimate the program impact exclusive of other factors.

1/ Note: Prior to 1978, the definition of economically disadvantaged used to determine eligibility was based, in part, on the participants being a member of a family whose annual income in relation to family size and location did not exceed the most recently established poverty levels as determined by the Office of Management and Budget. The current determination is based on either the poverty level or 70 percent of the Bureau of Labor Statistics lower living standard income level--whichever is higher. (For a nonfarm family of four in 1978, the poverty level was $6,200, and the lower living standard was $11,546.)

2/ CLMS Follow-Up Report No. 2: "Postprogram Experiences and Pre/Post Comparisons for Terminees Who Entered CETA During Fiscal Year 1976." Prepared by Westat, Inc. for Employment and Training Administration from data gathered by Bureau of the Census.

CLMS Follow-Up Report No. 2 focuses on persons who were participants in adult-oriented programs (classroom training, on-the-job training, adult work experience, and public service employment) conducted by CETA prime sponsors. By the time of the 18-month followup, over 40 percent of the fiscal 1976 enrollees (an estimated 250,000 nationally) had been out of the programs for at least a year. These include all terminees, whatever their reason for termination. Early dropouts are, therefore, included as well as "completers," though all were in the programs for less than 6 months. Major findings for this group were:

(1) In gross terms, they had substantially more employment and earnings after the program than before.

Three months after leaving the program, 53 percent were employed (with 26 percent unemployed and 21 percent out of the labor force). This was a better record than their status one month before they entered the programs, when only 26 percent were employed. Furthermore, their earnings in the first quarter after the program were well over twice those in the quarter before entry. In comparison with an earlier pre-entry period, the fourth quarter before entry, their earnings were over 20 percent higher.

(2) The early postprogram employment levels improved during the first postprogram year instead of slumping back to preprogram lows.

A comparison of labor force status at different points in the pre-entry and postprogram years follows:

	Labor Force Status		
Point in Time	Employed	Unemployed	Not in Labor Force
Prior to Entry			
12 months	43%	26%	31%
6 months	38	33	29
1 month	26	48	29
After Termination			
3 months	53	26	21
6 months	55	22	21
12 months	60	21	19

Using another measure, percent of time in employment, only about a third of participants' time in the year before entry was in employment. In the year after termination, nearly 60 percent of the time was in employment.

Enrollees earned over $2,000 more on average in the year after the program than in the year before, a gain of over 90 percent. Their annual earnings rates by quarter were:

Quarter	Annualized Earnings
Prior to Entry	
Full Year	$2,240
4th Q.	2,850
3rd Q.	2,430
2nd Q.	2,070
1st Q.	1,600
After Termination	
Full Year	4,300
1st Q.	3,680
2nd Q.	4,120
3rd Q.	4,400
4th Q.	4,990

It should be noted that not all of these positive gross earnings changes are attributable to CETA alone. It is likely that some of them would have occurred even in the absence of the program. (Estimates of "net impact," that is, how much of the earnings gains were due to the program rather than to other factors are being developed, with initial estimates for fiscal 1976 enrollees scheduled for issuance in the spring of 1980.) 1/

(3) Within the overall earnings gains, there were marked differences between types of participants.

Most notably, those with relatively high earnings the year before entry recovered to a good level the year after, but did not register an appreciable gain. Those with limited earnings the year before rose to a modest average wage level after the program, but that modest level was a very considerable gain

1/ These estimates will deal primarily with net earnings gains of participants who had been enrolled in "counterstructural" programs, albeit the distinction between "counterstructural" and "countercyclical" programs is difficult to make for the pre-1978 CETA amendment programs. (See discussion, pp. 57-58 of this report.)

over their low preprogram level. Thus, those with substantial employment in the year prior to CETA earned an average of $5,000 that year and $5,300 in the postprogram year. Those predominantly unemployed and out of the labor force averaged $600 earnings in the pre-entry year, but rose to over $3,000 in the postprogram year.

(4) The pattern of substantial before-to-after income gains encompassed all major program types.

Although the programs are not directly comparable because they tend to enroll persons with varying characteristics, are distributed unevenly among CETA sponsors, and have somewhat different objectives, enrollees in each program registered some year-before to year-after economic improvements. Persons enrolled in classroom training had income gains of $2,000 a year (117 percent gain); those in OJT gained $2,650 (100 percent gain); those in public service employment improved by $2,100 (76 percent); while the smallest gains were registered by adult work experience enrollees at $1,530 (74 percent gain).

(5) On another type of measure, opinions of participants, fully 86 percent of the terminees gave a positive rating to the CETA program: 58 percent said they were "satisfied" with it, and 28 percent said they were "very satisfied."

Development of a CETA Decentralized System

CETA undertook to establish a "flexible, coordinated, and decentralized system," in which local governments would plan and manage, with considerable discretion, employment and training programs financed by the Federal Government.

A major evaluation by the National Academy of Sciences 1/ that was completed before the 1978 reauthorization of CETA, sought as one of its objectives to assess the development and caliber of the new decentralized system in its initial years. Its principal findings include:

(1) "CETA's major objective of institutionalizing employment and training programs in local government has been achieved." There has been progress in building capabilities of local government to manage programs, but there are difficult administrative problems due to frequent changes in legislation, irregular funding, and excessive turnover of key staff.

(2) On the whole, the CETA decentralized approach--in terms of organization, delivery of service, and local participation--is a "more effective way of handling the nation's employment and training programs" than earlier more centralized and categorical arrangements.

Although there has been a shaky administrative start, local control of programs has resulted in tighter management, greater accountability, and more rational local delivery systems. The rapid expansion which more than doubled the size of the PSE program in the 1977-78 economic stimulus effort "might not have been possible without the local administrative mechanisms in place.

(3) The process and substance of local planning for programs "has improved, although it is still largely a routine for obtaining funding."

Few local sponsors have developed long-range goals as a framework for year-to-year planning, in part because of Federal emphasis on procedure instead of program substance and because of difficulties in identifying and choosing among disparate objectives of countercyclical assistance, income maintenance, and alleviation of structural unemployment.

(4) The local governments have moved toward some integration of local service delivery systems, particularly to reduce

---

1/ "CETA: Manpower Programs Under Local Control," National Research Council, National Academy of Sciences, 1978.

duplication of intake and placement activities, though public service employment activities have not been adequately interrelated with other program activities.

A significant aspect of the consolidation trend is that the local government itself has often chosen to become a direct program operator instead of relying wholly on contractor organizations to deliver services.

(5) The new system has developed little change in the nature of program activities.

The legacy of past programming, limited apparent alternatives, constraints of economic recession, and the general state of the art have prevented all but the most sophisticated sponsors from markedly improving on basic program models. There has been shifting of distribution of resources, however, largely from classroom training and OJT to greater investment in public service employment and work experience. This action has resulted more from Federal funding decisions and economic circumstances, as well as local interest in meeting public service needs, than from sponsor conviction that the subsidized employment programs are preferable to training emphasis for disadvantaged workers.

(6) There is continuing tension in relationships between Federal authorities and local sponsors, and the scope of local discretion has been narrowing.

Public Service Employment

Two major evaluation studies focused on CETA public service employment programs during the massive 1977-78 "economic stimulus" expansion of these programs.

A National Academy of Sciences (NAS) study 1/ examined in particular the experience of rapid PSE buildup, while researchers from the Brookings Institution 2/ were concerned principally with estimating substitution/net employment creation effects. Findings from the two studies influenced some of the changes subsequently made in PSE by Congress in the October 1978 CETA reauthorization amendments.

Expansion Experience: Under the "economic stimulus" program initiated in 1977, CETA public service employment was to be expanded rapidly, from a level of some 300,000 to about 725,000 positions in a period of about 9 months. This massive expansion was to be accomplished in part under new eligibility requirements enacted in late 1976, which prescribed that additional positions over the previous "sustainment" level were to be provided solely to low-income, long-term unemployed groups and had to be on temporary "projects."

The NAS assessment concluded that the CETA system responded rapidly and effectively to these PSE buildup demands, although the meeting of the hiring goals and of tight time schedules involved some sacrifice of other objectives. Basically, the push for larger enrollments in a short time limited the attention to selection of candidates and to types of projects developed.

Targeting: Although the PSE expansion was primarily for countercyclical purposes, it was to be targeted in part to persons with long-term unemployment difficulties, largely the low-income, long-term unemployed. 3/ A related problem of potentially completing objectives was that those "most in need" might not be adequately equipped to meet the objective of providing useful public service.

1/ "Expanding Public Service Employment Under CETA: Preliminary Assessment," Staff Report, National Research Council, National Academy of Sciences, 1978.

"CETA Assessment of Public Service Employment Programs," National Research Council, National Academy of Sciences, 1979.

2/ "Monitoring the Public Service Employment Program: The Second Round," Brookings Institution, issued by National Commission for Manpower Policy, March 1979.

3/ See fn. 1, p. 61 for changing definition of economically disadvantaged.

The evaluations found that the PSE expansion's new eligibility requirements did bring larger proportions of the economically disadvantaged and long-term unemployed into the program, and did so without unduly compromising the provision of needed public services. On the other hand, some of the increase in enrollment of the economically disadvantaged in the expansion projects was offset by reduced proportions of minorities and persons with limited education in the sustainment positions, and enrollments of welfare recipients were far below their proportion in the eligible population. There were also problems of enrollment of "many" ineligible persons because of administrative complexities and limitations of time and procedures for verifying eligibility.

Substitution vs. Net Employment Creation: The PSE programs are intended, not only to employ particular target groups, but to create the additional jobs for such employment. There had been criticism that local governments used PSE funds extensively to substitute for their own funding rather that to create additional jobs. Several econometric studies had estimated that well over half of the PSE funds were supporting jobs that local governments would have funded in the absence of the PSE program.

The Brookings evaluation concluded, from its field examination in December 1977 of PSE jobs and local budgetary circumstances and practices in a sample of jurisdictions, that substitution of Federal for local funds to finance local public jobs was not nearly as serious as some other estimates indicated, and that the PSE program could be characterized much more as a stimulative effort rather than as one that furthered substitution. It estimated that 85 percent of the PSE jobs were a net employment increase and only 15 percent represented displacement or substitution (PSE funds used to replace local funds which would have financed those postitions).

A significant part of the difference between this estimate and econometric estimates of much larger substitution is probably accounted for by "program maintenance" jobs. Brookings found that some existing public services probably would have been cut back because of local government fiscal problems. Where PSE funds were used to maintain such services, the analysts counted the jobs as "additional" ones because they would not have been financed without the PSE program. Such jobs constituted about 15 percent of the PSE jobs. An econometric study which extrapolated past growth trends in local government employment would tend not to identify such cutbacks in regular services.

Beyond the 15 percent job creation represented by the "program maintenance" jobs, Brookings found the 85 percent new jobs total was made up of 44 percent which expanded regular services, 14 percent providing new types of services, and 13 percent in new one-time special temporary projects.

The Brookings estimates also noted distinctions by types of employing agencies: Where the CETA sponsor governments themselves were the employer, substitution was 22 percent, ranging from 31 percent in large financially distressed cities (which relied very heavily on PSE workers to provide basic services) to 11 percent in other large cities, and 18-19 percent in suburban and rural governments. For employers in other than the sponsor governments, substitution was 10 percent or less, with the lowest rates (4 percent) occurring where nonprofit private organizations were the employer providing the public service.

Nature of Public Service Jobs: For CETA sponsors, an important PSE objective is to provide needed local public services. The types of services emphasized ranged widely by sponsor size and fiscal position, but overall the Brookings survey found nearly half the positions used for government "primary services" (protective services, public works, utilities and sanitation, and general administration). About a quarter were used to provide social and cultural services, particularly through private nonprofit agencies (15-20 percent in social services, 4-8 percent for health services, 1-6 percent for culture and the arts). Close to 15 percent of the positions provided park and recreation services, and also about 15 percent offered education services.

In terms of occupational distribution, about a third of the jobs offered were in the laborer category; nearly 20 percent were clerical, over 15 percent, service; nearly 10 percent paraprofessional; with the remainder scattered over craft, operative, professional, and administrative and managerial classifications.

The PSE projects were generally regarded as useful in their communities. The field evaluators found little evidence of PSE activities regarded as "make-work." Furthermore, job performance of the PSE enrollees was usually reported by local officials to be about equal to that of regular employees in similar work. About as many PSE workers were rated "above average" as below par. Poor performance was attributed to high turnover in a few cases and in other instances to poor motivation because of the short-term nature of the project jobs.

Other Aspects: Other notable findings of these evaluations included:

(1) Most sponsors did not seek to provide training as a major PSE objective. Although there was considerable evidence of informal on-the-job training, there was little provision of formal or supplemental training or linking with regular CETA training activities. In part, the limited attention to training was a result of the priority given to accomplishing the large PSE buildup.

(2) Relatedly, little attention was devoted to efforts to get transition of participants into unsubsidized jobs beyond encouraging them to seek jobs on their own or regarding them as candidates for some vacancies arising in the host agency. Again, priority at the time was on enrollments and not on movement out of the program. Since most of the PSE jobs were at low skill levels, and there was little special training, the more seriously disadvantaged had only limited prospects for effective transition into regular employment.

(3) With few exceptions, the PSE programs were run separately from other CETA programs, with little interrelation in planning or administraiton. Time pressures, the different types of agencies involved, separate procedural requirements and administrative difficulties of linkage, and local perceptions that they had different purposes were significant factors in PSE being conducted largely as a discrete program.

One side effect of the pressures of the PSE buildup was that staff and administrative attention was often diverted from other CETA programs, which were thereby limited in their development and performance.

(4) CETA sponsors were encouraged to use the State Employment Service agencies to recruit and determine eligibility of PSE applicants by being relieved of financial liability if those certified by the ES were later found ineligible. As a result, sponsors did rely to a great extent on the ES, which in turn responded to the incentive of receiving placement credit for those it placed in PSE positions. This arrangement frequently developed or improved working relationships between the CETA and ES systems.

(5) Nonprofit private organizations were assigned about 43 percent of the PSE project positions in response to the CETA specification that a "substantial portion" (defined by the Labor Department as a third) of such PSE positions go to these organizations.

(6) Based on their examination of PSE experience in 1977-78, both the NAS and Brookings reports caution that the CETA reauthorization PSE amendments may strain Federal-local relations.

The Brookings report notes that the sharpening of statutory focus on the targeting and transition objectives of PSE conflicts with local interest in providing public services of value. The CETA amendments that tighten eligibility requirements, establish lower limits on PSE wages, and limit the tenure of participants in PSE jobs may put pressure on the "workable bargain" that balances Federal and local government

objectives. In particular, the report cautions that the lower wage requirements may make it difficult for many jurisdictions to pay less than their customary entry wage levels and still provide services of value and that this, combined with new PSE tenure limitations, will reduce incentives to provide special training for higher-skill positions.

Private Sector Involvement

Since most employment is in the private sector, a major CETA policy thrust is to build up systematic active private industry involvement in CETA activities. Several evaluations of specific CETA efforts to generate such private sector involvement make it clear that neither the potential nor most effective approaches for such development are readily apparent and that the buildup of such new institutional relationships in the decentralized CETA system will have to be a long-term process. One of the evaluations focuses on the preliminary local steps under the new CETA title VII Private Sector Initiative Program (PSIP). Three other evaluation reports are on earlier activities geared to private employers.

PSIP: CETA title VII, enacted in late 1978, seeks to "demonstrate the effectiveness of a variety of approaches to increase the involvement of the business community" in activities under the act and to "increase private sector employment opportunities" for the economically disadvantaged. 1/ It provides for special funding to CETA sponsors for the conduct of private-sector-related activities and for establishment of local "private industry councils" (PICs) to work on these activities and consult on other CETA programs. Initial program funding ($75 million) for title VII was first provided to sponsors in June 1979.

The first in a series of evaluation reports that will focus on the early stages of PSIP operation covers preparatory local progress before the initial funding. Based on a field evaluation of a national sample of 25 sponsors, this Ohio State University study provides the following "early feedback":

(1) About a third of the sponsors in the survey regarded PSIP as an important effort, but the others were reserving judgment or were negative about it. Those with favorable views looked upon PSIP as a means of getting genuine input from the private sector, changing CETA's negative image in the eyes of business, and increasing hires by employers from the CETA registrant pool. Persons with more skeptical views wondered how much funding would actually materialize, worried about overpromises to industry or past lack of success in getting helpful business involvement, or were concerned that this is another Federal "intrusion into their flexibility."

1/ "A Formative Evaluation of the Private Sector Initiative Program," Report No. 1, Ohio State University Research Foundation, May 1979.

(2) There are local variations, in the degree of autonomy or control provided for the Private Industry Councils. At perhaps half the sponsors, the PICs were being started with a high degree of autonomy. Yet some appeared to have only a limited role, and in others the degree of independence was still to be worked out. Half the sponsors were turning to some local business group, usually a local chamber of commerce or unit of the National Alliance of Business, to generate broad business cooperation.

(3) Concerning specific PSIP activities, only limited development had occurred because of funding uncertainties. Some sponsors expected PSIP to add support to earlier efforts to link CETA and local economic development activities; some were planning an employer needs survey to guide the design of any new activities.

In the main, it appeared that considerable time would be needed before extensive or new types of activities could be gotten underway. Consequently, most early operational efforts likely will be extensions of prior activities. Previous limited orientation to the private sector, negative or indifferent local business attitudes, the small proportion of PSIP compared with all CETA funds, and preoccupation with the heavy load of other CETA responsibilities were all factors which will limit the pace of major substantive change.

Earlier Private Sector Efforts: A study by the Conference Board reviewed activities of nine CETA sponsors in 1977 to determine factors affecting business participation in their programs, particularly OJT programs. 1/ Its findings included:

(1) There was little visibility of the CETA program in the business community at most sites. Employers not involved in the OJT program were usually only vaguely aware of it. Those involved were typically smaller employers; few large ones (500 or more employees) participated.

(2) Concerns expressed most often by employers who had not participated in OJT were about CETA staff quality, caliber of trainees, government interference, and burdens of extra supervisors, facilities, and paperwork.

1/ "Involving Private Employers in CETA Programs: A Case Study", The Conference Board, June 1979.

Those who had OJT contracts had more favorable perceptions from their experience. They too stated some concerns about trainees (motivation, absenteeism, academic skills), but most went on to say that their trainees' job performance equalled that of their other employees.

(3) Employers entering OJT contracts did so for economic reasons--to meet needs for trained workers and/or to take advantage of the financial inducement. Few cited community responsibility or equal employment considerations as reasons for participating.

(4) Sponsors who achieved more OJT activity were those who tended actively to seek business involvement, ties to some business group, minimal "red tape," identification of employer vacancies, and tailoring of programs to meet their needs.

STIP: The Skill Training Improvement Program was started in early 1978, in about a third of the CETA sponsors, to develop longer-term classroom-oriented training of disadvantaged workers for higher-level skills, with the special involvement of private industry.

The early experience was evaluated by Abt Associates. 1/ (An additional report on subsequent operations is scheduled for late 1979.) The early report indicated that the sponsors involved, who had competed for and won the grants for the STIP projects, found that the projects were a good basis for getting more private employer participation and were improving the image of CETA in the business community.

Although generally regarded as "successful," the role of private employers often fluctuated somewhat as some employers expressing interest did not follow through, changes in local occupational demands sometimes required shifts in training occupations, and some employer oversight committees lapsed into inactivity.

Factors aiding the STIP startup were that it was undertaken only where employer commitments for some active role had been developed beforehand and that the projects comprised specific activities with established budgets (as compared with the broader, all-sponsor PSIP, which is proceeding more gradually because of the initial absence of assured funding and a need to decide on program emphasis and content).

1/ "Evaluation of the Skill Training Improvement Program (STIP): Starting Up," Abt Associates, Inc., March 1979.

The STIP program authorized upgrading projects for training of employed workers, but most sponsors did not seriously pursue this and some who planned it abandoned it quickly. The limited response was attributed to lack of lead time for developing specific proposals and to what was seen as too stringent requirements, particularly that the employed workers all had to be below certain family income levels and that upgrade completers had to be assured of a large pay increase.

HIRE II: The HIRE II (Help Through Industry Retraining and Employment) program provided extra funds to CETA sponsors in mid-1978 to conduct private employer on-the-job training programs for veterans. (HIRE I was a similar effort at the national level directed to multi-area corporations.) 1/

Findings of the evaluation of HIRE II in a sample of sponsors point up significant factors affecting national efforts to stimulate specific local CETA programs. In brief:

(1) HIRE II performance lagged behind plans, in part because national and local timetables and goals were too hurried and ambitious.

CETA sponsors generally did not make the program a high priority because its funds were limited, were seen as temporary, and it competed for attention with many other responsibilities usually regarded as more pressing or important.

The national guidelines encouraged involvement of business, veterans, and other organizations. However, where interrelationships did not already exist, they usually did not develop quickly, and often were affected by organizational and administrative conflicts that hampered program progress.

(2) The customary OJT program turned out to be unattractive to many employers and not adequately geared to some groups of veterans. Many of the types of employer OJT positions developed were seen by veterans as not sufficiently worthwhile, with the result that a high proportion (about half) who did get hired on OJT jobs dropped out, particularly those hired as security guards, or at jobs in fast food restaurants and in warehouses.

There was little evidence of employer prejudice to Vietnam veterans; most saw them as more attractive than other CETA groups. Negative terminations were due basically to participant quits rather than to firings or employer reneging on contracts.

1/ "The Implementation of HIRE II, Final Report," Ohio State Research Foundation, July 1979.

(3) Certain types of local factors and efforts tended to produce better program performance. The sponsors who ran the more productive HIRE II programs were those who ran better overall CETA programs, had skills in involving various groups and avoiding administrative conflicts, recognized problems and sought to overcome them, and were willing to monitor and aid program operations rather than just turn the program over to them. Also associated with better performance were active "marketing" of the program, some role for a respected business group, rapid processing of contracts with employers, and relatively simple paperwork procedures.

Specific local groups showed particular strengths: Business groups were best at developing OJT positions, ethnic groups mose effective at enrolling minority veterans, and nontraditional veterans groups best at enrolling Vietnam veterans.

No one type of organization was the key to better performance. Sites which developed some network of cooperative participating groups did best.

(4) National organizations--governmental and private--had little impact on local implementation. Their communications did not get much local attention and did not help overcome local problems.

(5) Sponsor involvement of local business groups tends to have good results where such groups are "well motivated" and influential locally. But is should be recognized that most such groups do not have the necessary motivation or capability to make an early or important contribution to programs for the disadvantaged.

Youth: Job Corps

CETA programs geared expressly to youth are being reported on separately to the Congress, but three major evaluation efforts are briefly noted here.

One has measured the economic impact of the intensive residential Job Corps program. 1/ From a comparison of the experience of Job Corps participants, in the early months after they left the program in 1977, with the experience of a comparable group of disadvantaged youth not in the Job Corps, the study found:

Earnings: The Job Corps participants had greater earnings gains. After a readjustment period, Job Corps members had weekly earnings 10 percent greater than the comparison group 7 months after termination, resulting mostly from increases in full-time employment. The greatest gainers were those who completed the program. The completers, both men and women, gained about 50 percent more than their comparison group counterparts.

Other benefits: The participants, and particularly the completers, also did better than the nonparticipants on a variety of other measures. More attained a high school diploma or its equivalent, more went on to college, and more entered military service. They had reduced participation in welfare programs, substantially fewer arrests, and less drug and alcohol abuse.

Cost-benefit effects: Projections of these short-term gains into the future, to determine if their value in current dollars will exceed the costs, depend substantially on assumptions about the rate at which the benefit gains fade out over time and about the discount rate used to convert future benefits to current dollars. Whether the Job Corps is estimated to be an economically efficient investment depends, the study found, on whether the sum of the fade-out and discount rates is assumed to be less than 20 percent (program is economically efficient) or more than 20 percent (program is not economically efficient).

1/ "Evaluation of the Economic Impact of the Job Corps Program: First Follow-Up Report", Mathematica Policy Research, Inc., December 1978.

Participant views: Seven months after leaving the program, the great majority (77 percent) of the participants expressed overall satisfaction with the program, rating it even more favorably than they did while still in the program.

On individual components, some 90 percent gave "good" or "OK" ratings to the training and education services they received, but a third to a half gave negative ratings to the food and the pay, and three-quarters said they could have used more placement assistance after leaving the program.

After this initial study, the evaluation has followed up on the participants and control group a year later to determine if the early net gains for participants deteriorated, were maintained, or increased further. A report on this longer-term experience is scheduled for early 1980.

Another study of the Job Corps program explored its noneconomic impacts. 1/ A battery of 21 tests were applied to a limited sample of Job Corps participants before and after participation and to a comparison group. The findings suggested that Job Corps participants who stayed in the program at least 3 months benefitted in a number of ways. They registered relative improvements in eight areas, no change in nine measures, a mixed picture on three, and a relative decline in one.

The eight in which improvement was indicated were job-seeking skills, job satisfaction, attitude toward authority, self-esteem, police involvement, eating habits, family relations, and use of leisure time. The one that declined was confidence in success in the job market, reflecting perhaps a more realistic awareness of problems affecting success.

1/ "The Noneconomic Impacts of the Job Corps", Abt Associates, Inc., 1978.

Youth: New Youth Programs

CETA was amended in mid-1977 by the Youth Employment and Demonstration Projects Act, which established four new youth programs and authority for a variety of other demonstration activities.

For two of the new programs, the Youth Employment and Training Program (YETP) and the Youth Community Conservation and Improvement Projects (YCCIP), funds were allocated to all CETA sponsors. The process of local implementation of these two programs has been evaluated in a series of reports based on case studies by 10 local analysts of 35 sponsors; 1/ a further such progress assessment is scheduled for late 1979. In brief, major findings include:

(1) Planning and startup of the two new youth programs were often constrained by time pressures and other heavy sponsor workload in late 1977 (particularly the expansion then of the public service employment programs). But, "given the scale and complexity of the new youth programs, the pace of YEDPA implementation represents a major accomplishment," though it was achieved with "a great deal of stress."

(2) One cause of strain, beyond time and other workload burdens, was the requirement of special consideration for community-based organizations (CBOs) as deliverers of service, but the requirement was taken seriously and CBOs were widely drawn upon to conduct the new youth projects.

In initial operations there appeared to be no systematic differences between effectiveness of CBOs and other delivery organizations, so the main effect of the statutory emphasis on CBOs has been to broaden the base of local community organization participation.

1/ "Initial Youth Employment and Demonstration Projects Act (YEDPA) Experience at the Local Level," Report No. 1, National Council on Employment Policy, February 1978.

"The Unfolding Youth Initiatives: Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act (YEDPA)," Report No. 2, National Council on Employment Policy, August 1978.

"The Local Focus on Youth: A Review of Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act," Report No. 3, National Council on Employment Policy, March 1979.

(3) On links with local education agencies, early progress and potential for further progress were "encouraging," but there were common problems in negotiating joint efforts: Distrust, differences in standards, perspective and organizational objectives, difficulties in synchronizing the program year and the school year, and tension in getting school administrators and students to accept the CETA principle of selection of participants on the basis of family income.

(4) The sponsors have consistently been enrolling low-income youth, although there is interest in broadening selection to avoid the stigma of a "poverty" program. They have lagged, however, on developing special outreach to get target groups such as the handicapped and juvenile offenders and on adapting services to meet such groups' particular needs.

(5) Youth advisory councils required by the act "appear to be a poor vehicle for increasing youth participation" in sponsor activities. The councils have often been figureheads and youth on them were usually not active. Some sponsors have been trying other methods, with some success, to generate involvement and feedback from youth.

(6) The act's call for a "knowledge development" orientation has led to more evaluation, research and demonstration efforts; however, most such efforts, troubled by methodological inadequacies and competing priorities, were unduly ambitious, so prospects for getting useful intelligence from them were "not very good."

(7) Funding changes and uncertainties hampered planning for the programs' second year (fiscal 1979) and generally limited sponsor efforts to change the thrusts of the first year. The first year's performance was widely marked by inexperience which led to underestimating of turnover rates and consequent overestimating of per-enrollee costs and numbers of enrollments.

A further analysis from this evaluation 1/ concentrated on the development of collaboration between CETA sponsors and local education agencies (most notably under the requirement that at least 22 percent of the YETP funds be administered under agreement with the education agencies). It concludes that the

---

1/ "Involving Schools in Employment and Training Programs for Youth," National Council on Employment Policy, May 1979.

22 percent set-aside is useful and necessary but not sufficient to attain closer joint efforts because there are extensive administrative and substantive differences between the two types of institutions. The study identifies basic differences and suggests strategies for overcoming them; it emphasizes that development of joint systems will require time, examples of the feasibility of new roles for education officials, and several types of efforts to influence local education policy-makers to move more willingly in this direction.

Evaluation of Non-CETA Programs

A number of other evaluation efforts have examined employment and training activities other than those under CETA. Most notably:

(1) On apprenticeship, a study 1/ of pilot projects, exploring whether apprenticeship programs could be stimulated by a community-wide approach across trades, as compared to the customary industry approach, found that it could be a feasible and useful part of any broad apprenticeship promotion program.

(2) A pilot effort developed a methodology for evaluating the impact on users of the Employment Service's labor exchange activities. 2/ Based on this developmental effort, a national evaluation has now been initiated. Basically, the approach is to track the labor market experience of ES applicants who receive job referrals, and of comparable applicants who do not get such assistance, to determine whether those referred to jobs have measurable reductions in unemployment, gains in earnings, and other benefits.

Findings from the pilot study in four local ES offices were that applicants getting referral service got jobs sooner (almost three weeks) and earned more ($9 a week) over the six months after coming to the ES than their counterparts who did not get job referrals.

1/ "An Evaluation of the Multi-Trade Community-Wide Apprenticeship Program," Sam Harris Associates, Ltd., October 1978.

2/ "A Pilot Evaluation of the Impact of the United States Employment Service," SRI International, January 1979.

(3) A demonstration effort in 1978 undertook to link Federal contract compliance activities, seeking to get Federal contractors to provide equal employment opportunities (EEO), and Federally-funded employment and training programs (CETA and Employment Service) which might help those businesses meet their EEO obligations.

Evaluation 1/ of the projects found that compliance/services linkage appeared feasible, that problems of operations strategy and staffing were evident but appeared solvable, and that there were some issues which required further examination.

In this "needs-further-exploration" category were (a) when and how in the compliance review process to offer potential special employment services to contractors, (b) concern of some local employment and training agencies that they might be seen as a compliance rather than service agency, and (c) distinguishing between EEO personnel needs of contractors that were within rather thay beyond the reach of the local service delivery agencies.

1/ "Staff Evaluation Study of the OFCCP/ETA Joint Demonstration Program," Office of Program Evaluation, Employment and Training Administration, December 1978.

ETA Evaluation Plan for Fiscal Year 1980

This section presents the major plans for evaluation of employment and training programs in fiscal 1980, including work in progress continuing from fiscal 1979.

It should be recognized that program evaluations do not coincide with start or end of a fiscal year. Most are multi-year efforts and an evaluation initiated in any year will ordinarily not provide findings until at least the following year. In planning ahead for the coming year, it should be recognized too that emphases are often contingent both on new program developments and on progress and findings of evaluations initiated earlier.

The evaluations, which are conducted primarily through contracts to external organizations, are broadly of two types: "Process" evaluations describe and assess how a program is actually being conducted, and "impact" evaluations seek to measure effects of a program.

Relation to Major Hypotheses

In terms of the 11 major hypotheses specified by the Department's guidelines for fiscal year 1980 ETA research and evaluation planning, program evaluation efforts are geared directly to 5 of them and should contribute some information relevant to at least 3 others as well.

Specifically, evaluation activities are directed (in order of priority) to hypotheses number 11 (on CETA net impact on participants' earnings), number 4 (on the Employment Service's benefits to users), number 10 (on the benefits of intensive program investment vs. limited cost-per-participant programs), number 3 (on the merits of targeting CETA to the most disadvantaged vs. including some nondisadvantaged), and number 5 (on impact of the new targeted jobs tax credit).

Several evaluation projects should contribute information useful for analyses of 3 of the other major hypotheses: number 1 (on attainment of 4 percent unemployment and 3 percent inflation), number 2 (on effectiveness of PSE as a countercyclical tool), and number 9 (on programming to increase employment and earnings of female heads of households).

The major evaluation efforts planned for funding in fiscal 1980 will largely be carring forward work begun in the prior year or earlier. They will focus on seven broad program areas: (1) The decentralized programs under the Comprehensive Employment and Training Act, with separate special focus on (2) the public service employment (PSE) programs (the largest CETA expenditures component), and (3) the new CETA title VII "private sector initiative program" (PSIP); (4) CETA national programs; (5) the U.S. Employment Service; (6) the new targeted jobs tax credit program; and (7) the Work Incentive Program (WIN) for welfare recipients. This section is organized according to these seven areas plus a concluding "other" category.

Major Evaluation Areas

(1) CETA Decentralized Program. The greatest priority, involving over two-thirds of the evaluation funds, will be to continue the sizable data collection efforts of the Continuous Longitudinal Manpower Survey (CLMS) to enable evaluation of several significant aspects of the CETA decentralized programs conducted by State and local prime sponsors. These data are collected by the Bureau of the Census, with technical support, data processing, and analytic presentation provided by a private organization, Westat, Inc.

In brief, the CLMS tracks annual samples of participants in these programs, through checks of sponsor records and personal interviews of the sampled participants, to develop data necessary to answer these principal questions:

(a) Who is served by each of the major types of CETA "decentralized" activities? The CLMS provides detail, not available from CETA sponsor reporting, on both the demographic characteristics and the preprogram employment and earnings of those enrolled.

(b) What is the employment and earnings experience of CETA participants after they leave the programs, and how much of an improvement is that over their preprogram record?

Thus far, the CLMS has provided such postprogram data and gross change information for the first year after termination for participants who entered CETA adult-oriented programs in fiscal years 1975 and 1976. Similar information will be provided in fiscal 1980 for the fiscal 1977 entrants.

The first longer-term picture, from followup tracking three years after entry, will become available for the fiscal 1975 entrants early in fiscal 1980 and for the fiscal 1976 entrants by summer 1980.

(c) How much of any earnings gains are attributable to the program rather than to other factors? That is, what is the net impact of the programs on CETA participant earnings?

Comparison groups of similar nonparticipants are being developed (from the Current Population Survey), and earnings data from Social Security Administration records will be drawn upon, to indicate what earnings would have been in the absence of the programs. To the extent that participant earnings gains exceed those of the comparable nonparticipants, they basically would represent gains caused by the program.

There are substantial technical issues in such efforts to determine "net impact," but the first specific methodological exploration, to estimate how much more participants gained than if they had not been in the program, is to be developed by the end of 1979. Using data for January-June 1975 enrollees, this will present various issues and methods for estimating how much their earnings increased in 1975-77, over earlier years as compared with several differently constructed "comparable" groups of nonparticipants. Later, in the spring of 1980, further estimates will be developed for the fiscal year 1976 enrollees. Although the distinction between "countercyclical" and "counterstructural" programs and their differing objectives is not clear for the fiscal 1976 enrollees, efforts will be made to point up the implications of such differences for expectations in net earnings change.

(d) Which types of programs and which types of participants have greater or lesser gains? Again, there are significant technical problems in developing equitable comparisons between heterogeneous programs with differing objectives and between different target groups, but the CLMS data will enable such analyses of relative effectiveness on the criterion of earnings change.

(2) Public Service Employment Programs: The largest CETA activity (in dollar terms) is public service employment. The CETA reauthorization in late 1978 made major changes in this activity. It called for separate programs with various new requirements: one under title II-D to combat "structural" unemployment and the other under title VI as a "countercyclical" activity. Beyond the CLMS tracking of enrollees in these two components, two interrelated major evaluations are focusing on the effects of the statutory changes and other aspects of the functioning of the PSE programs through field observation by local analysts in samples of sponsors.

One, conducted by the National Academy of Sciences, is assessing early effects of the CETA PSE changes on sponsor administration, targeting, and PSE services and types of jobs, as well as strategies and accomplishment on transition to unsubsidized employment. On the basis of intensive field reviews in June 1979, there will be a preliminary report in early fiscal year 1980 and a full report in Spring 1980. Funding to carry forward further such field analyses is planned for mid-fiscal 1980, with the specific empahsis to be shaped substantially by the findings of the current effort and any major new program developments.

The second PSE field evaluation, under the auspices of Princeton University, would continue, under the same director and local network of analysts, the work formerly done through the Brookings Institution to determine the degree of fiscal substitution and "net employment creation" under the PSE programs.

The Brookings study developed estimates of substitution as of July 1977 and December 1977 field observation dates. Those estimates were that substitution was substantially less than had been estimated by several econometric analyses.

The planned continuation would develop new such estimates, in light of the PSE changes, from observations in December 1979; the draft report on its work would be provided by December 1980 (and the final version by March 1981). This field study would also examine other aspects of PSE at the same time, including whether and how sponsor objectives mesh with Federal objectives established by the new PSE requirements, how PSE job content relates to participant characteristics and to PSE training/ transition experience, and what local governments do about continuing PSE services when PSE support is phased down.

How PSE interrelates with and compares on certain effects with other Federal grant programs for local governments is being examined in another study by the Brookings Institution network of local analysts. The first several of these case studies of some 12 large cities are scheduled for release early in fiscal 1980, with the other studies and an overall synthesis due in the Spring of 1980.

(3) Private Sector Initiative Program (PSIP): The new CETA title VII has launched a major effort to develop increased CETA involvement in the private sector. Two principal evaluation efforts are planned.

One, funded in fiscal 1979 and planned for further funding in fiscal 1980, is a field review of a sample of CETA sponsors conducted under the auspices of Ohio State University. It is designed to assess and provide periodic feedback on how this new activity is being organized, the strategies it develops, and its apparent strengths and weaknesses as it progresses. An initial report has been provided, in June 1979, on early attitudes and actions of the sponsors. A further report on PSIP local development is scheduled for late 1979 and another, on early fiscal 1980 activities launched under PSIP, is due early in 1980.

A second major part of the PSIP evaluation effort is to include its enrollees in CLMS coverage starting in fiscal 1980. The objectives are to supplement sponsor reports on who is being served and to provide the basis for CLMS analysis over time of the gross and net effects on earnings of the PSIP participants.

(4) CETA National Programs: High priority has been given to a rigorous effort to measure the economic impact of the intensive investment by the Job Corps program in its participants. The evaluation by Mathematica Policy Research (report in December 1978) found positive short-term benefits (7 months after termination) for participants as against comparable nonparticipants.

A longer-term tracking of the participants and comparison group approximately a year later (funded in fiscal 1979) is determining whether the early postprogram gains by participants deteriorate, hold up, or increase further over the longer period. A report is scheduled for early 1980. The findings will indicate whether further tracking and analyses are desirable, but no major further funding on this effort is planned for fiscal 1980.

Also continuing in 1980 is an evaluation of the HIRE program, which aims to have major national employers agree, either under contracts for training reimbursement or on a "voluntary" basis, to hire veterans and other special groups. This evaluation, by Arthur Young and Co., is scheduled for completion in 1981.

(5) Employment Service: Focusing on the issue of whether the labor exchange activities of the Employment Service system are of significant benefit to its users, a pilot study has developed and field tested a methodology for studying that question. On the basis of the pilot study which has undergone some refinements, a major national evaluation was initiated late in fiscal 1979 and will be continued through the middle of fiscal 1982. The study, by SRI International, will track samples

of ES applicants to determine whether those who actually get job referral services achieve gains in terms of less time in unemployment, greater increases in earnings, and other measurable effects in comparison with comparable applicants who do not get referral services, and which types of users tend to get greater or lesser benefits from such service. It will also develop and test the estimating of the value (cost savings) to employers who use the Employment Service.

A new evaluation planned to start in fiscal 1980 will assess early experience under the Employment Security Automation Program (ESAP) as a basis for guiding longer-term plans for more effective joint use of computer capabilities by the Employment Service and Unemployment Insurance system.

Several other evaluations are in progress on specific Employment Service activities, most notably its "self-service" Job Information Service Program (under a contract with Juarez Associates, with a report due early in 1980), the efforts to get employer involvement through the Job Service Improvement Program (also by Juarez Associates, scheduled for completion in late 1980), and its "employer relations" activity (study by Detron, Inc., with report due in mid-1980). These projects, funded in fiscal 1979 or 1978, are not anticipated to require further funding in fiscal 1980.

(6) Targeted Job Tax Credit: Tax legislation in late 1978 established a new targeted "job tax credit" to encourage employers to hire and retain economically disadvantaged youth and six other specified "target" groups. The operating procedures for this program were put in place in the spring of 1979 and an ETA staff field study of a small sample of sponsors has been evaluating its initial administration. One or several impact studies are being planned for initiation in fiscal 1980 to determine its effects on target group hires, on employer hiring practices, and on other types of employment and training programs.

(7) Work Incentive Program (WIN): An evaluation to be completed by Detron, Inc. early in fiscal 1980 has been tracking WIN fiscal 1974-75 participants (AFDC welfare recipients) and a comparison group to determine longer-term (2 to 3 years) impact of the WIN program and its major activities in these years.

A new evaluation by Osoro and Associates is examining the new WIN demonstration effort at five sites to extend services to all registrants. It will seek to determine how readily, with what results, and at what costs all or a major portion of WIN registrants can be served under present types of programs if additional program funds are provided. It is scheduled for completion in late 1981.

The focus and timing of further evaluation plans for the WIN program are contingent on findings of the long-term impact evaluation and on action on welfare reform which may alter the WIN program. One tentative study will seek, to the extent technically feasible, to analyze relative effectiveness of the WIN and CETA programs for comparable populations, utilizing the WIN and CLMS impact evaluation data.

Other: Only one other sizable funding has been planned for fiscal 1980. It would provide further funding to an effort, being conducted in the Boston region, to develop some consistent CETA prime sponsor system for following up on local CETA participants to enable prime sponsors to evaluate their post-program experience.

Evaluation Funding and Staffing Levels

Funding: The basic budget for ETA program evaluation in fiscal 1979 was $8.3 million ($3.3 million from the CETA title III R&D program support appropriation and $5 million, for the CLMS, from the Secretary's title III national program account). In addition, $.7 million was available for WIN evaluation and $1.5 million was provided from youth demonstration program funds for CLMS coverage of new youth programs.

For fiscal 1980, the same basic budget level of $8.3 million is planned. The estimated further funds under the WIN program appropriation will also be the same, $.7 million, as the previous year, while a reduced sum, $1.2 million (vs. $1.5 million in fiscal 1979) is planned from youth program funds for the CLMS.

Staffing: The ETA program evalaution activity is conducted essentially through an Office of Program Evaluation. In fiscal 1979, its staffing ceiling structure provided for 29 positions (21 professional, 8 support).

Most of this staff is geared to designing, directing, and analyzing the evaluations conducted under contracts with external organizations, but some staff undertake internal short-term field evaluations, seek to disseminate and facilitate use of evaluation findings, and provide technical guidance for evaluation efforts by CETA prime sponsors and other organizations.

Consistent with the 1980 appropriation, the staff ceiling in 1980 for the evaluation office is 25 (of whom 18 are professionals and 7, support personnel).

Research and Evaluation in the Office of the Assistant Secretary for Policy, Evaluation and Research, U.S. Department of Labor

I. Introduction

Section 313 of the Comprehensive Employment and Training Act (CETA), as amended, calls for an annual report to Congress from the Secretary of Labor providing a summary of some of the major findings from research, evaluation, and experimentation in the previous fiscal year and plans for further study during the next year. While the Office of Policy, Evaluation, and Research (OPER) within the Employment and Training Administration (ETA) has the major responsibility for administering and funding research and evaluation under CETA, projects are also funded with CETA monies by the Office of the Assistant Secretary for Policy, Evaluation, and Research (ASPER). This report, serving as an addition to the preceding discussion of OPER projects, summarizes ASPER's research and evaluation activities in the employment and training area.

ASPER's funding situation differs markedly from that facing OPER, and makes its designation of "CETA" or "Employment and Training" projects more subjective. From a variety of sources, ASPER receives funds, which are then used to support research and evaluation in virtually all areas for which the Department is responsible. In fiscal 1979, the ASPER R&E budget was just under $2 million of which $0.5 million was from the ETA evaluation "tax", $0.1 million was from fiscal 1978 ETA evaluation tax carryover, and $0.5 million was from ETA's Office of Youth Programs (OYP). (The projects funded with OYP monies are not included in this report.) The so-called evaluation tax is not an automatic transfer. ETA and other DOL agencies set aside funds from their R&E budgets to be made available to ASPER when detailed and suitable requests for studies are received. In prior years, ETA dollars have represented a much smaller percentage of the ASPER total budget than in fiscal 1979.

This report covers employment and training and related projects that have been administered by ASPER regardless of the source of funds. Projects discussed here are mainly non-youth-related with a contract price in excess of $10,000. There are several projects referred to here which fall below the $10,000 mark, but which were close enough and of sufficient importance to warrant inclusion. Projects in the following groupings are included: Employment and Training; Unemployment Insurance: Welfare Reform (Employment Opportunities Pilot Projects); Macroeconomic Policy; and Other.

Section II presents major findings from projects completed in fiscal years 1978 and 1979 (regardless of the year of funding). Section III describes projects funded in fiscal years 1978 and 1979, but not yet completed. Section IV outlines research and evaluation plans for fiscal 1980. Finally, Section V describes ASPER's research and evaluation staffing. Lists of completed and active research and evaluation projects are included in Appendices 7 and 8.

II. Major Findings: Projects Completed in Fiscal Years 1978-79

A. Employment and Training Projects

One of the major areas of emphasis in ASPER's research and evaluation effort has been the effectiveness of Public Service Employment (PSE) programs. Two of the projects completed in fiscal years 1978 and 1979 were concerned with the estimation of fiscal substitution and occupational displacement under CETA and previous PSE programs.

One paper 1/ which laid out a framework for assessing the impact of various employment programs on the labor market, concentrated primarily on the slow rate at which unskilled labor markets adjust to excess supply and on the effect of incentives on occupational choice. The paper concluded that in order to have beneficial effects on the short-run level of employment and on income distribution, a PSE program must focus on those who are more disadvantaged than typical workers in the private sector. It was concluded that PSE grants had desirable effects on the composition of labor demand, making fiscal substitution less of a problem. The paper's suggestion for tightened targetting has subsequently been enacted in the 1978 CETA Amendments.

Another paper funded under this contract 2/ examined the potential impact of PSE on what has come to be known as NAIRU, the Non-Accelerating Inflationary Rate of Unemployment. The paper questions the presence of structural unemployment in the U.S., with the exception of that experienced by minority youth. It suggests that PSE's potential for lowering the NAIRU is limited, subject to numerous qualifications and reservations. Furthermore, it points out that, in terms of the objectives of obtaining a lower NAIRU, identification of individual characteristics associated with high unemployment rates is not a sufficient basis for targetting the programs.

1/ "Structural Unemployment Consequences of Job Creation Policies", in J. Palmer, editor, Job Creation, Brookings Institution, 1978.

2/ "The Potential Impact of Employment Policy on the Unemployment Rate Consistent with Non-Accelerating Inflation" (G. Johnson with A. Blakemore), American Economic Review (May, 1979).

A second project dealing with the issues of substitution and displacement in PSE programs was undertaken by Lauri Bassi and Alan Fechter of the Urban Institute. 1/ This study systematically reviewed the literature on fiscal substitution and displacement, then derived new estimates for each by using several data bases covering different time periods.

The review of previous studies showed a wide range of estimates as might be expected from the differences in methods, time periods, types of PSE programs, and underlying assumptions used in the models. However. it was found that, while the amount of fiscal substitution occurring has not been trivial, PSE has generally had substantial job-creation impact in the short run, an impact which diminishes in time. Bassi and Fechter generated estimates of fiscal substitution from a cross-section sample of program agents for 1975 and 1976, from a cross-section of State-aggregates for the years 1975-1977, and from a quarterly time-series of national data for the period 1954-1977.

The 1976-1977 findings using these models and those from the earlier studies are:

Focus of Analysis	Rates of Fiscal Substitution Four Quarters After Funding (Per $100 of PSE funds Allocated)
1976 Cities	$29-$91
1976 Counties	$53-$61
1976 States	$31-$55
1977 States	$36
Earlier Studies	$54-$70
Time-Series, employment	49-57 (Slots per 100 PSE slots)
Time-Series, wage bill	$91-$108

The estimates vary substantially with the unit of analysis and the estimating technique. For 1976, most of the substitution estimates imply a net job creation ratio of 40-50 percent, with a high degree of variability. The State estimates seem to suggest a slight decline in substitution from 1976 to 1977, following a tightening of the targetting provisions. However, Bassi

---

1/ A. Fechter and L. Bassi, The Implications for Fiscal Substitution and Occupational Displacement Under an Expanded CETA Title VI, Contract No. J9M7-0154. The report from the project carries the same name and has been published by ASPER as Technical Analysis Paper #65, March, 1979.

and Fechter point out that the 1976 and 1977 estimates are not statistically different from one another. The authors conclude that, although there still appears to be a substantial amount of substitution taking place in PSE, it seems to be declining slightly, and that PSE provides a larger job creation impact than any other Federal grant program.

In addition, two further conclusions are of interest. First, the employment impact of PSE is accompanied by a small but significant increase in average State and local government wages. At the same time, this inflationary impact is not substantially larger than that occurring with other Federal grant programs. Second, there is limited evidence that by 1976 PSE may have begun to shift the demand for State and local employment towards low-skill (and low-wage) workers, thus mitigating the inflationary effects.

Several of the studies completed in fiscal 1978 or 1979 pertain to more general CETA issues. Two of these are described here. The first deals with the post-program impact of training on employment and earnings. The second looks at organizaitonal and personal factors in CETA and sets forth a list of research questions relating to the impact of these factors on program effectiveness.

The first project, by N. Kiefer, 1/ examined the impact of training conducted under MDTA, the JOBS (Job Opportunities in the Business Sector) program, Job Corps, and NYC (Neighborhood Youth Corps). The data used in the study were from the two-and-a-half-year longitudinal study of these four Federally funded programs initially performed by Operations Research, Incorporated. (This data file is known as the OEO/DOL file.) A group of roughly 7,000 trainees was sampled, along with 3,000 individuals from the pool of eligibles used as "controls" in ten representative major SMSA's. Interviews were taken in four waves, beginning at program entry and ending one year after termination. The data containing the complete corrected and edited data file comprises 3,500 total cases from the original 10,000. For these individuals, job histories and program treatment have been linked to Social Security Administration (SSA) earnings data for the period 1951-1973. The training occurred in late 1969 and in 1970.

1/ N. Kiefer, University of Chicago, Econometric Analyses of Training Under MDTA, Contract No. J9M7-0035. The resulting report is: "The Economic Benefits from Manpower Training Programs", Technical Analysis Paper #43, ASPER, U.S. Department of Labor, November, 1976.

Estimated effects of training vary considerably by program, sex, and race. The study's major conclusions can be summarized as follows:

- The adult training programs (MDTA and JOBS) greatly increased the earnings of females ($130-$900 per year), but had little or no effect on male earnings ($100-$150 per year for blacks, zero for nonblacks). For females, the effects were greater for nonblacks than blacks.
- For those experiencing increased earnings, part of the effect was from increased employment and part was from increased labor force participation.
- Length of stay in the program had a positive effect on post-program earnings and employment.

For the youth programs, estimates of the training impact are cruder and less precise as a result of smaller sample sizes and control group matching problems. Keeping these problems in mind, the findings are:

- Job Corps only had positive effects on the earnings of black males ($400 per year). No measurable effect was found for nonblack males or for black females, and nonblack females actually experienced an earnings decline ($400-$500 per year). This last effect was a result partly of decreased labor force participation and decreased employment.
- NYC seemed to produce lasting earnings gains ($400 per year) only for black females.

The study raised interesting questions about data quality, selection bias, the effects of placements, and temporary and permanent earnings impacts which have been the subject of other research and evaluation efforts and which the Continuous Longitudinal Manpower Survey (CLMS) of CETA participants may shed some light on over the next few years.

A project by P. Dachler of the University of Maryland 1/ tried to identify major characteristics of CETA programs--both of the CETA staff persons and of the orgainzational structure--that might have a measurable impact on CETA effectiveness. The goal of the project was to assess in a general way the feasibility of introducing "organizational" factors into CETA evaluation and to devise research issues in that area.

1/ P. Dachler, University of Maryland, Person and Organization Characteristics and CETA Program Effectiveness, Contract No. B9M8-4789. The resulting report of the same title has been issued as ASPER Technical Analysis Paper #67, August, 1979.

He concludes that not only should organizational variables figure more prominently in program evaluation, but that the entire perspective of CETA evaluation should be broadened to incorporate the true operating context of the local prime sponsor, including for example, the interrelationships of the sponsor with other social and political groups or agencies, the outlook and aims of the CETA staff, and other factors.

B. Unemployment Insurance

Several of the studies completed in the fiscal 1978-79 period deal with unemployment insurance (UI) issues. Two of these are discussed here. The first examines the relationship between UI taxes and labor turnover, and the second estimates the distribution of UI benefits and costs.

A study by F. Brechling and C. Jehn of the Center for Naval Analyses 1/ considered the relationship between the maximum level of wages per employee covered by the UI tax (referred to as the tax base) and the level of employee turnover from layoffs and quits. Their theoretical work indicates that as the tax base is increased, labor turnover should decrease, with the greatest marginal impact occurring when the tax base is set at one-half of the annual average wage. Brechling and Jehn tested their theories by using data for sixteen industries for the 1962-1969 period, and they found evidence to confirm the theoretical work. Based on their theoretical work, the authors also conclude that the greater the extent that tax rates for particular firms are based on turnover experience, the less turnover there should be and that employment tax credits can be expected to increase turnover.

1/ F. Brechling and C. Jehn, Public Research Institute, Center for Naval Analyses, The Unemployment Insurance Tax and Labor Turnover: An Empirical Analysis, Contract No. J9M6-0103. The findings of this study are available in two reports: (1) "The Tax Base of the U.S. Unemployment Insurance Tax: An Empirical Analysis", ASPER, Technical Analysis Paper #55, October, 1978; and (2) "The Unemployment Insurance Tax and Labor Turnover: An Empirical Analysis", ASPER, Technical Analysis Paper #56, October, 1978.

The second study 1/ on the distribution of UI benefits and costs was performed by R. Ehrenberg, R. Hutchens, and R. Smith of Cornell University. The purpose of this effort was to provide estimates of the distribution of UI benefits and costs, and thus the net distribution of UI benefits, by family income, using the Brookings 1970 Merge file. This data file is an updated version of the 1967 Survey of Economic Opportunity which has been further modified by the authors to adjust for large and systematic reporting errors on UI benefits.

The study does provide some estimates of the net distributional impact of UI by family income, but hastens to point out that these estimates are highly unreliable due to the large difficulties involved in estimating the UI cost distribution: The UI cost distribution depends heavily on how employers handle the UI tax in each establishment. Without better information on this aspect of the UI system no reliable estimates of the net impact will be forthcoming.

The major finding of this study is that UI benefits tend to comprise a greater share of income for low-income groups than higher income families. Not only were low-income families more likely to receive benefits, they also tended to remain recipients for a longer period of time. The authors claim that their findings differ from earlier work, which did not show a concentration of benefits among low-income families, because they were able to make better adjustments for under-reporting of UI benefits on surveys.

C. Welfare Reform Projects

The Employment Opportunity Pilot Projects involve several large research and evaluation contracts. During 1979, two design contracts were awarded to formulate an evaluation and research design for the projects. These contracts and the programs themselves are described in Section III of this report on active research and evaluation.

1/ R. Ehrenberg, R. Hutchens and R. Smith, The Distribution of Unemployment Insurance Benefits and Costs, Contract No. J9M6-0098. The final report from this contract bears the same title and has been issued as ASPER Technical Analysis Paper #58, October, 1978.

D. Macroeconomic Policy Projects

A number of projects were funded in the area of macroeconomic policy. The first such project 1/ was the Economic Stimulus Conference sponsored by the Brookings Institution. The objective of this conference was to provide the government agencies responsible for the 1977 Stimulus Package program evaluations with a consistent framework for their research plans. A distinguished group of economists was assembled to present and discuss several papers. Papers on evaluating the Employment Tax Credit, the Local Public Works program, the Anti-Recession Fiscal Assistance program, and the CETA Public Service Employment program were presented. A volume reporting the proceedings was published in May 1978. 2/

No program evaluations were provided at the conference. Rather, the adequacy of the existing evaluation plans and proposals to change these plans were discussed. Perhaps the major impact of these discussions was the realization of the inadequacy and paucity of existing data which could be examined and analyzed to make relevant and needed program comparisons.

Another conference 3/ was also conducted by the Brookings Institution in order to assess various aspects of proposed innovative policies to slow inflation. The results of the conference were published in a special issue of the Brookings Papers on Economic Activity (BPEA: 1978:2). The papers and discussion focused on the theoretical and administrative aspects of tax-based incomes policies, as well as other direct Federal Government actions to reduce the rate of inflation. The discussion centered attention on the development of anti-inflation policies that do not operate through the reduction of real incomes. The conclusions of the discussants were generally favorable towards this approach, although the difficulties of administering such policies was emphasized.

1/ Brookings Institution, Economic Stimulus Conference, Contract No. J9M8-0015.

2/ Conference Report on Evaluating the 1977 Economic Stimulus Package, U.S. Department of Labor, ASPER, 1978.

3/ Brookings Institution, BPEA Special Conference on Innovative Policies to Slow Inflation, Contract No. J9M8-0054.

A third macroeconomic project 1/ was carried out by The Analytic Sciences Corporation (TASC) to estimate the effect of a global stimulation program on export sales. The objective of this research was to summarize current proposals of a global stimulus program, describe the rationale underlying these proposals, and partially evaluate their potential impact on the U.S. economy. Estimates of aggregate and industry-specific U.S. export sales were obtained, and possible inflationary impacts were discussed.

The study's major findings indicated that the United States would likely benefit greatly from its participation in a global stimulus scheme. Exports would be stimulated to a degree beyond the anticipated direct U.S. public contribution, with apparently little additional inflationary pressure. The energy, mining, construction, and agricultural equipment industries would be the major beneficiaries of such a program. The report also maintained that a U.S. decision not to support a stimulus program would ultimately impair U.S. competitiveness in Third World markets.

Finally, a study 2/ of earnings loss due to major plant closings was performed by L. Jacobsen of the Center for Naval Analyses to provide information about the costs to workers of job loss. The variation in earnings losses across industries was the focus of analysis.

The most clear-cut finding of the study was that earnings losses for males are larger in the more heavily unionized industries, in those industries with low quit rates, and in male-dominated industries. The steel and auto industries were cited as prime examples. An estimate of the earnings loss over a five-year period was on the order of twice the workers' annual earnings. Transfer payments were estimated to reduce this income loss by about 12 percent. In addition, the size of the local labor market, the extent of the worker's tenure, and the state of general economic conditions created substantial differences in the size of earnings losses. The results for females were less clear cut. The major implication of this study is that the impact of job loss is not uniform, but varies widely among industries and across types of workers in each industry.

1/ TASC, Estimating the Effect of a Global Stimulation Program on Export Sales, Contract No. J9K8-0014.

2/ L. Jacobsen, Center for Naval Analyses, Earnings Loss Due to Displacement, Contract No. J9M9-0042.

E. Other Projects

One other project completed in fiscal 1978-1979 addresses a subject that is related to CETA. This study, 1/ conducted by R. Butler and J. Heckman of the University of Chicago, reviewed the evidence concerning the impact of government programs on the labor market status of blacks. The authors first outlined the major trends that require explanation, including postwar changes in black/white earnings differentials, wages, labor force participation, employment, and others. Then, they examined key aspects of antidiscrimination legislation enacted to bring about improvements in the labor market position of blacks. Finally, they reviewed in great detail the aggregate time-series evidence, as well as the numerous micro-economic analyses of the impact of particular programs.

Their findings seriously question the impact of government antidiscrimination efforts on the well-being of blacks. While the study suggests that recent improvements in the status of young blacks may be attributable to antidiscrimination legislation, the authors conclude that the same cannot be said of blacks in general.

Some of the study's separate findings are also noteworthy:

- Reexamination of the time-series evidence suggests that part of the rise in the measured relative wages of blacks can be accounted for by the fact that increased benefit levels of government transfer programs have drawn low-wage black workers out of the labor force.

- The best available micro studies document considerable governmental antidiscrimination activity at the firm level, but are silent on the actual impact of this activity. Some studies show weak or ambiguous effects, while others show perverse effects of legislation.

1/ R. Butler and J. Heckman, The Government's Impact on the Labor Market Status of Black Americans: A Critical Review, Contract No. J9M6-0174, published as an article with same title in Leonard J. Hausman et. al., editors, Equal Rights and Industrial Relations, Industrial Relations Research Association Series, 1977, pp. 235-280.

III. Active Research and Evaluation Projects

There are a number of projects funded in fiscal 1978 and fiscal 1979 that have not yet been completed. A brief description of these projects is provided below, and a list is included in Appendix 8. No major findings can be cited at this point.

A. Employment and Training

One project, 1/ nearing completion, would prove to be an essential component of the Department's multi-year effort to redesign the CETA Management Information System (MIS). Presently, the over 460 CETA prime sponsors have information systems that, for the most part, operate manually and can be characterized as more suited to responding to Federal reporting requirements than to meeting the management needs of local program staffs.

Under its ASPER contract, Analytic Systems, Inc. (ASI) will provide complete descriptions of nine of the more successful (or promising) MIS approaches for handling CETA information used by different types of sponsors, including both the large balance-of-State sponsors, smaller entities, and others. The reports which are generated will include information about systems operations, costs, maintenance problems encountered, and descriptions of any other factors that might affect how well a particular system could be adapted to other areas. Preliminary reports on most kinds of sponsors have already been received. When the reports have all been completed (in the first quarter of fiscal 1980), abstracts will be sent to all sponsors, with the complete reports available on request from DOL regional offices. Technical assistance aids and strategies will be based on these reports.

Another project 2/ is also focusing on information systems. This project is examining systems used for key labor market programs, including CETA, UI, and others. In the case of CETA, the official Management Information System, as well as related data sources like the Continuous Longitudinal Manpower Survey (CLMS), are being reviewed. The data formats, coverage, and expected uses for each system are explored. In addition, areas that complement one another or overlap will be described.

1/ Analytic Systems, Inc., Documentation of Selected CETA Prime Sponsor Management Information Systems, Contract No. J9M9-0141.

2/ A. Maurizi, Evaluation of Data Systems for Unemployment Insurance, CETA, and Other Labor Market Programs, Contract No. B9M9-4858.

The study will provide an evaluation of each system's capacity to answer the operational and policy questions raised by the various labor market programs. This effort will produce a set of recommendations for modification of the data sets so that areas of overlap can be minimized and policy questions at the national level can be more effectively addressed.

B. Unemployment Insurance

There are three studies to be completed in fiscal 1980 in the Unemployment Insurance area. The first 1/ arises from an inability to obtain accurate information from household surveys, such as the Current Population Survey (CPS), on transfer program income received. R. Hutchens of Cornell University will be developing and testing a general methodology for analyzing the phenomenon of nonreporting of UI benefits in the CPS. He will focus on the extent and the nature of nonreporting of UI in terms of the demographic (age, sex, race, etc.) characteristics of those not reporting all unemployment benefits received. Finally, he will explore the feasibility of using the methodology developed to adjust the CPS data for such nonreporting.

A second project 2/ represents an outgrowth of the earlier work completed in fiscal 1979 on the relationships between the UI tax and various types of labor turnover, including involuntary layoffs and quits. This study by F. Brechling of the Center for Naval Analyses will enlarge the data base used in the previous work to incorporate all additional data available since 1969. The earlier results, as well as other theoretical predictions, will be examined using these data.

A third project 3/ is an effort on the part of W. Vroman of the Urban Institute to produce a set of preliminary cost and caseload estimates for a number of UI reform options on the basis of several alternative computer models that have been developed. Data for the project are derived from the Survey of Income and Education (SIE), an expanded (150,000) CPS sample, "aged" to 1981. A net income adjustment model will

---

1/ R. Hutchens, Cornell University, An Analysis and Correction of Nonreporting in Household Surveys, Contract No. J9M8-0143.

2/ F. Brechling, Center for Naval Analyses, Labor Turnover and the UI Tax, Contract No. J9M8-0130.

3/ W. Vroman, The Urban Institute, An Examination of UI Replacement Rates, Contract No. J9M8-0179.

be used to estimate replacement rates by States under a variety of different UI programs, welfare systems, and tax structures. This study should be completed during fiscal 1980.

C. Welfare Reform

The Employment Opportunity Pilot Program (EOPP) is a dispersed, 15-site field test of a program to provide subsidized jobs and training opportunities for all principal earners in welfare-eligible families with children who cannot find unsubsidized employment. The program parallels the Administration's proposal to develop employment and training alternatives to welfare dependency to the maximal extent possible.

The EOPP program consists of two components: a job search assistance component that lasts for five to eight weeks, during which a participant is assisted in finding an unsubsidized job; and a work and training component that provides a work or training slot to those participants who have not located a job during the job search period.

EOPP has been designed with a major component of research and evaluation. The program structure itself is being controlled and varied in particular ways from site to site to facilitate a research and evaluation plan that will be capable of answering a crucial set of questions relevant to the implementation of national welfare reform legislation, the proposed Work and Training Opportunities Act.

The following are the basic questions that the EOPP research and evaluation plan has been designed to answer.

- How large might the eligible population for a welfare program be? How many people will participate? What are their characteristics?
- What is the capacity of the employment and training system to serve large numbers of this type of participant? What organizational linkages are required?
- What is the effectiveness of the program services? Which services are required? Which work best? What effect do program services and employment experience have on participants' future earnings, employment, and family well-being?

- What are the broader impacts on society? Specifically, what useful outputs are produced by the program? Are other persons displaced by the employment of the target groups? Are other employers helped or hindered by the large-scale availability of public jobs? Do local governments substitute Federal funds for local funds by hiring EOPP workers to do what other workers would have done?

- What generalizations and extrapolations of alternative national programs can be made on the basis of data and experience generated by EOPP?

An attempt is being made to answer each of these questions through three major research contracts. The following is a description of the basic parts of the research plan corresponding to the three contracts.

Household Surveys. The first contract has been awarded to Westat, Inc., to conduct household surveys in each of the program sites and in a set of other sites matched for similarity to the program sites. These surveys will allow researchers to determine the size and characteristics of the eligible population. With these data, it will be possible for the first time to analyze what fraction of the eligible population participates in this type program, who these people are, and why they participate.

Overall Evaluation. The second major piece of research is an overall evaluation which has been awarded to a consortium of the Urban Institute and Mathematical Policy Research (MPR/UI). This contract entails several tasks. The first is to study participation in EOPP. The researchers will use household survey data (noted above) and program data generated by an MIS system. These combined data will allow a full study of participation rates by members of the target group.

The second phase of the evaluation is a study of the implementation of the EOPP. This study will involve systematic on-site observation of program operation, interviews with officials, and analysis of program records and MIS data. The implementation analysis will attempt to document what has occurred in EOPP; what strategies were employed by prime sponsors; what effects EOPP has on the welfare system; and other operational questions that may help in designing national programs. In addition, the implementation analysis will supplement other parts of the overall analysis that focus on participant outcomes under EOPP.

The outcome analysis is the third major focus of the MPR/UI evaluation research plan. This research will involve surveys of participants after they have entered the program and at some later points in time after they have left the program. In addition, this analysis will utilize information gathered from the household surveys and from data collected at the Philadelphia EOPP, a special test site. In Philadelphia, a random group will be selected from among the eligible population, notified about the program, and allowed to participate. Another randomly chosen group, not notified and not allowed to participate, will be interviewed and their progress followed.

From the data recorded for both these groups, it will be possible to determine the effects EOPP produces on individual employment, earnings, and other variables. This analysis will be complemented with information gathered from the other experimental and control sites and from the implementation analysis, which will provide information on how the clients are selected into and sorted through the various components of the program.

A fourth component of the MPR/UI research plan involves a study of a sample of the job sites created for the participants in order to assess the value of the output of the public service work. This study will estimate how much net contribution to society's goods and services is produced by EOPP.

The final part of the evaluation contract involves an attempt to generalize from the EOPP experience and data to the possible national-scale program. This effort will involve the use of microsimulation models to estimate national participation levels, net costs, decreases in welfare payments, and other effects on the labor market. The specific tasks of this research are to modify and reestimate portions of the existing microsimulation models in light of the actual data from EOPP.

Labor Market Effects. The third major contract entails research on the effects that EOPP has on the rest of the labor market. This contract has been awarded to the Institute for Research on Poverty, at the University of Wisconsin, which in turn has subcontracted portions of the research to SRI International and Abt Associates. The research on labor market effects is divided into three parts: a study to determine if other persons in the labor market are affected by the presence of EOPP; a study of employers to determine if they are affected by EOPP; and a study of public and non-profit agencies to determine if they substitute Federally (EOPP) funded work for work that would have been accomplished otherwise.

The first study will utilize the data from the household surveys (conducted before EOPP begins and again at some later time) to compare the labor market experiences (labor force participation, earnings, employment, etc.) of study participants both before and after the program and between the experimental and control sites. These comparisons will estimate whether persons have been displaced by EOPP activities, whether new persons have been drawn into the labor force, whether overall unemployment has been reduced, and will seek to answer other related questions.

The second study will utilize a before-and-after survey of employers in experimental and control sites. This survey will allow researchers to investigate whether the offer of public jobs has affected the supply of labor to competing employers, the wages employers must pay, and the quality of applicants they receive. Conversely, these data will help to determine whether the job search assistance and changes in the enforcement of work requirements among welfare recipients increase the quantity or quality of labor supplied to employers.

The third study will examine the question of fiscal substitution. A survey of non-profit agencies employing PSE workers in both EOPP experimental and comparison sites will be taken in order to determine to what degree, if at all, EOPP has been substituted for existing activities. This research will complement earlier studies on the question (discussed above) that have relied on either aggregate data not specifically directed to the problem under study or field observations that lack much expenditure data.

The three contracts discussed above have been awarded in an effort to design the research approach. No actual data collection has yet begun. The design contracts were awarded for the period of April through November 1979; actual research will begin in December 1979, with interim data expected by the spring of 1980. No conclusive results on outcomes will be available until 1981. However, the research ans analysis will continue to generate information on the operation and feasibility of the program throughout 1980 and 1981.

D. Macroeconomic Policy Projects

There are several projects related to the macroeconomic policy area that are of interest to analysts. The first 1/ examines the effects of increased payroll taxes and investment tax credits on the demands for and relative prices of labor and capital. The primary purpose of this study is to determine the effect of payroll tax policy on employment, economic growth, prices, and wages. The study is mainly empirical, designed to develop econometric factor demand and supply equations, which can directly take account of changes in capital subsidies and labor taxes. The impact of these taxes and credits on factor proportions, income distribution, and output will be determined.

Preliminary results were presented in a February 1979 paper. The results indicated that increases in payroll taxes tend to raise the long-run noninflationary rate of unemployment, and therefore, possibly also raise the long-run rate of inflation.

Another project 2/ is a joint DOL/DOE effort to improve employment/energy economic analysis. This study seeks to improve the forecasting capabilities of the Department with respect to potential energy scenarios and policies. The plan is to augment the BLS economic growth model through the explicit introduction of disaggregated energy sectors and the introduction of new promising technologies.

By introducing this flexibility within the BLS economic growth model, more precise estimates of the employment impacts of alternative energy scenarios will be possible. Of key importance will be the relatively disaggregated nature of the information, enabling policymakers to focus more precisely on the impacts of alternative energy scenarios. The first phase of this study is to be completed in November 1979. Work will then be evaluated to see whether additional research in this area is merited.

1/ F. Brechling, Center for Naval Analyses, The Effects of Increased Payroll Taxes and Investment Tax Credit on the Demands for and Relative Prices of Labor and Capital, Contract No. J9M7-0151.

2/ CONSAD, Joint DOL/DOE Project to Improve Employment/Energy Economic Analysis, Contract No. J9M8-0129.

In addition, a study 1/ underway at Harvard University is concerned with measures of labor market tightness. The objective of this research is to provide an analysis of whether past or ongoing job vacancy surveys have produced accurate measures of the number of job openings available to those without jobs, what existing job vacancy data imply about the degree of aggregate labor market tightness, and the reasons for job vacancies when there is positive measured unemployment.

The goal of the research is to provide a major report on the key theoretical and empirical issues concerning the demand side of models of labor market tightness. Papers will be prepared describing past work on models of labor market tightness, efforts to measure labor market demand and suggestions for future endeavors, the direction and extent to which aggregate job vacancy estimates are typically biased, the degree of labor market tightness during the 1970s as implied by past and ongoing job vacancy surveys, and the coexistence of vacant jobs and individuals without work. These analyses are intended to contribute to an understanding about the feasibility of developing a job vacancy series and exactly what such a series could tell with respect to labor market tightness. Work on this project is due to be completed by March 1980.

A study 2/ by L. Lilliard at the Rand Corporation, scheduled to be completed in fiscal 1981, is intended to broaden an understanding of the effects of local labor market conditions on the wages and employment of workers. By combining a panel data set (the Panel Survey of Income Dynamics) for a group of individual workers with time series national and local market data, he will estimate the independent effects of cyclical and specific geographical components of local labor market conditions on employment and earnings. The project will also investigate the distribution of business cycle effects among different types of workers and will estimate the impact of worker expectations about future economic conditions on current behavior.

1/ J. Medoff, Harvard University, Labor Market Tightness: The Demand Side, Contract No. J9M9-0220.

2/ L. Lilliard, Rand Corporation, Cross-Section vs. Time-Series Effects of Local Labor Market Conditions, Contract No. J9M9-1052.

Finally, a project 1/ to be completed in fiscal 1980 by K. Clark and L. Summers of the National Bureau of Economic Research seeks to provide information with which to distinguish between the appropriate types of labor market policies in given situations by analyzing in detail data on spells of employment and unemployment. Building upon their previous work on labor market flows, they will use detailed Current Population Survey data to analyze the way in which spells of employment and unemployment begin and end. They will examine individual transition decisions to understand the forces influencing the observed patterns of movement between different labor market statuses. With these components of their work, they will estimate the impact of various programs, including social insurance, job creation and tax policy on employment and unemployment.

E. Other Projects

There are three efforts which are analyses of different aspects of the Michigan Quality of Employment Survey (QES) data all of which should be completed in fiscal 1980. One project 2/ directed by S. Seashore of the University of Michigan makes use of the most recent 1977 QES data to analyze aspects of worker participation in the workplace. The study will look at workers' desires to be a part of the decisionmaking process at work and contrast these preferences with the actual extent and types of participation now existing in American industry. Those factors associated with participation will be isolated and examined carefully.

Another QES-based project 3/ focuses on an occupational group which has been adversely affected in recent years by changes in the age structure of the population and in the attitudes of voters toward public sector spending. This study will generate information on the quality of worklife of school teachers in the United States which is based on theoretical predictions of behavior and which may assist in policy development for this group.

1/ K. Clark and L. Summers, NBER, The Dynamics of Unemployment, Contract No. J9M9-0055.

2/ S. Seashore, Worker Participation and Influence in the Workplace, Contract No. J9M9-0184.

3/ Kornbluh, University of Michigan, The Quality of Worklife of Teachers, Contract No. J9M9-0124.

The third project 1/ will utilize two consecutive waves of the QES to add to the existing knowledge on job mobility. A general model of job mobility will be developed and tested, using the 1973 QES data on prospective mobility (plans to move) to predict actual mobility as evidenced by the 1977 QES. All types of job mobility will be examined, including voluntary and involuntary job changing and moves within and between firms. The QES represents a uniquely rich data source in this area.

IV. FY 1980 Research and Evaluation Plans

In order to carry out its research oversight role, the Office of the Assistant Secretary for Policy, Evaluation, and Research (ASPER) has as its major 1980 objective the establishment of a tighter process to assure that agency research programs support the overall priorities of the Department. It is also ASPER's aim to coordinate the activities of all relevant components of the Department with responsibilities relating to selected crosscutting issues. The purpose is to assure that all available and appropriate resources are brought to bear on problems that pertain to the Department as a whole but transcend the jurisdiction of a particular agency.

To achieve these objectives, ASPER worked with each DOL agency in fiscal 1979 to establish a set of research hypotheses which will guide the agency's research priorities over the next two years. Although the agencies will not be limited to conducting research exclusively in support of these hypotheses, they will be expected to devote a substantial segment of available resources to these priority activities. ASPER will review the agencies' research plans each year to determine that Secretarial priorities are receiving adequate attention. ASPER will also work with the agencies to update and modify the major research and evaluation hypotheses.

1/ Mangione, University of Massachusetts Center for Survey Research, An Initial Test of a General Model of Intra- and Inter-Firm Job Mobility, Contract No. J9E8-0108.

Another element of the ASPER oversight role will be the establishment of committees in each agency which will meet periodically to develop and implement research and evaluation plans. Each committee will be chaired by a senior agency official responsible for research and evaluation and will include representatives of operating programs and ASPER. Several committees have been operating successfully in ETA in the areas of CETA research, ES, UI, and apprenticeship. A youth committee will be added to the ETA group. ETA will also be represented on cross-cutting committees dealing with research related to the following areas: Humphrey-Hawkins unemployment and inflation goals; the problem of declining worker productivity; the merits and costs of different approaches to employment dislocations; research efforts on discrimination and affirmative action; and older worker policies such as age discrimination, retirement income and employment opportunities.

In addition to its responsibility for providing the Secretary with general oversight and guidance for DOL research programs, ASPER also plans to fund some research and evaluation efforts under its own authority dealing with the development and validation of performance measures for CETA generally and youth programs in particular. Other areas in which work will be conducted during fiscal 1980 include: additional youth labor markets, worker productivity, the management of a comprehensive employment adjustment assistance strategy, welfare reform, and macroeconomic issues, such as Humphrey-Hawkins goals and measures of labor market disequilibrium.

V. ASPER Funding and Staffing

The staff responsiblities for the conduct of research within ASPER are not confined to a discrete unit but in general, are shared with the relevant policy offices and are coordinated through a small research support unit consisting of 2 professional and 2 support staff. The ASPER research budget comes as an allotment from ETA. For fiscal 1980, the amount anticipated will be approximately $500,000. (Youth research funds have not been included in this estimate.)

APPENDIXES

Appendix 1.

Selected Fiscal 1978 Financial and Program Data for CETA and WIN

First-Time Enrollments and Obligations for Work and Training Programs Administered by the Department of Labor, Fiscal Year 1978

[Thousands]

Program	First-time enrollments	Obligations
Total	3,873.3	$7,388,900
Comprehensive Employment and Training Act	3,874.3	5,994,300
Title I	986.1	1,810,400
Title II	150.6	247,200
Title III (excluding youth)	218.0	684,200
Title III, summer	894.0	784,600
Title IV (Job Corps)	48.9	378,500
Title VI	864.3	1,882,300
Youth Employment and Training Programs	888.2	885,800
Work Incentive Program	[1] 661.8	260,200
Older Americans Act, title IX	28.0	200,900

[1] Individuals receiving Work Incentive Program services.

CETA Activity Under Titles I, II, and VI, Fiscal Year 1978

Activity	Total	Title I	Title II	Title VI
Total enrollment including carry over [1]	2,585,900	1,281,300	230,300	1,016,900
Classroom training	364,900	358,400	2,000	3,800
On-the-job training	138,400	138,400	800	1,200
Public service employment	1,199,800	28,900	201,700	975,200
Work experience	482,800	448,400	4,100	30,300
New enrollment [2]	1,681,400	985,100	160,800	883,900
Current enrollment, as of September 30, 1978	880,300	384,900	130,100	485,700
Classroom training	160,100	159,900	400	700
On-the-job training	47,300	47,100	100	300
Public service employment	559,100	5,400	101,800	457,900
Work experience	111,700	98,100	3,100	10,500
Total terminations [1]	1,698,300	1,008,900	100,100	881,200
Direct placements	97,000	94,800	800	1,900
Indirect placements	348,900	346,500	38,200	83,200
Self-placements	302,400	108,200	14,400	79,800
Other positive terminations [3]	385,800	270,700	30,200	74,800
Nonpositive terminations	564,100	288,700	43,800	294,900

[1] Totals include individuals who were not enrolled in a specific activity.
[2] Since beginning of fiscal year.
[3] Data include transfers between titles.

Source: 1979 Employment and Training Report of the President. (Statistical Appendix), p. 364.

Federal Obligations for Work and Training Programs Administered by the Department of Labor, by Region, State, and Program, Fiscal Year 1978

[Millions]

Region and State	CETA title I	CETA title II	CETA title III			CETA[1] title IV	CETA title VI	CETA[2] title VIII YACC	Work Incentive Program	Community Service Employment for older Americans
			Excluding youth	Summer	YCCIP YETP YIEPP[1]					
United States	$1,988.4	$967.3	$894.3	$794.6	$798.1	$271.5	$1,981.3	$827.4	$298.3	$290.9
Region I	116.2	59.2	59.0	44.7	38.3	4.2	126.5	7.5	14.3	3.0
Connecticut	28.3	14.9	10.6	10.6	11.4	0	67.9	.9	2.9	.4
Maine	8.9	3.0	2.4	4.2	2.4	.1	24.3	1.9	1.3	.2
Massachusetts	57.4	28.0	21.0	25.5	20.9	2.9	68.8	3.0	8.0	1.0
New Hampshire	4.7	2.3	.3	2.3	2.9	0	13.9	1.2	.3	.2
Rhode Island	8.7	4.6	2.5	4.3	2.9	0	19.1	.3	.5	.3
Vermont	4.3	1.9	1.3	1.9	2.8	.3	9	.5	1.3	----------
Region II	333.3	133.9	73.5	110.0	114.8	22.4	448.0	13.0	33.7	6.2
New Jersey	68.5	32.9	12.4	26.0	26.0	5.1	102.7	4.1	7.1	0
New York	173.0	81.5	48.3	68.1	77.3	12.6	276.3	6.8	20.1	4.8
Puerto Rico	68.1	18.4	7.9	15.5	12.0	4.7	66.9	1.1	2.2	0
Virgin Islands	1.7	.7	0	.4	.6	0	2.1	0	.3	.4
Region III	222.1	6.6	138.1	88.4	106.2	70.8	18.7	19.2	34.8	104.7
Delaware	4.9	0	1.4	1.8	1.7	.3	.4	1.0	.9	.8
District of Columbia	28.3	0	64.6	14.3	17.4	22.5	2.1	2.8	4.0	102.0
Maryland	28.4	1.8	13.3	10.8	21.0	20.5	.1	2.4	4.6	.6
Pennsylvania	94.8	4.5	34.8	34.4	48.1	14.3	4.9	8.1	11.6	2.3
Virginia	34.7	.6	8.7	12.3	11.5	6.4	2.6	4.2	2.7	.7
West Virginia	15.1	0	5.3	7.0	4.3	4.8	4.6	1.5	4.6	.4
Region IV	314.6	12.2	193.5	126.3	118.7	64.1	126.4	21.5	38.8	4.2
Alabama	28.8	0	8.3	13.9	8.3	.2	.7	2.1	1.7	0
Florida	78.4	11.2	14.3	28.5	26.6	2.9	72.7	7.8	4.4	0
Georgia	42.0	2.4	14.3	17.4	14.5	12.4	12.9	2.4	6.1	.8
Kentucky	27.7	2.4	6.5	10.6	7.7	22.1	20.0	2.3	2.7	.7
Mississippi	28.8	0	6.9	8.3	26.4	2.7	1.3	2.8	2.6	.8
North Carolina	44.1	.2	27.8	26.0	12.9	6.8	1.8	4.9	2.3	.9
South Carolina	28.8	0	8.3	8.9	6.6	1.5	4.3	1.8	1.5	.5
Tennessee	34.0	0	7.9	14.0	8.9	2.8	.3	2.4	2.6	.8
Region V	354.2	88.6	103.3	142.8	128.3	88.6	294.0	16.2	44.7	6.8
Illinois	93.8	18.7	20.7	38.4	27.6	4.9	100.0	4.2	14.2	1.5
Indiana	48.3	8.1	4.7	17.4	11.1	28.3	48.3	2.8	2.7	.8
Michigan	94.7	.9	27.8	31.9	38.0	2.9	15.3	4.2	14.3	1.3
Minnesota	38.4	0	18.0	8.3	8.3	1.9	4.6	1.0	4.9	.7
Ohio	84.7	21.1	22.3	31.9	42.1	38.7	48.8	1.3	14.8	1.7
Wisconsin	38.2	0	14.7	13.0	10.2	1.9	7.9	1.5	10.8	.8
Region VI	128.5	6.2	58.9	71.2	52.3	68.3	61.7	21.0	11.6	2.8
Arkansas	21.9	.6	5.6	7.6	4.3	2.7	4.8	2.4	1.3	.5
Louisiana	32.5	0	8.4	13.6	7.8	1.8	12.5	2.3	1.6	.6
New Mexico	11.3	0	4.8	4.5	4.1	4.6	2.1	6.1	1.6	.3
Oklahoma	22.8	1.5	12.8	10.8	8.5	14.7	7.5	4.6	1.3	.6
Texas	38.0	4.3	23.3	24.7	23.5	38.8	24.8	4.6	4.8	1.9
Region VII	78.4	7.5	34.5	28.0	18.1	18.4	102.4	8.4	8.4	1.6
Iowa	14.7	1.3	6.7	6.7	3.7	.3	21.7	.8	1.8	.6
Kansas	13.3	1.1	6.1	4.4	2.9	.3	7.7	.8	2.1	0
Missouri	28.2	3.6	11.1	14.4	10.2	7.8	60.1	4.8	4.7	.9
Nebraska	10.2	1.5	2.6	4.5	2.3	2.3	4.9	1.3	.8	.2
Region VIII	51.1	2.8	28.3	12.1	27.8	37.7	16.0	22.1	12.9	.9
Colorado	17.2	2.9	8.5	6.4	14.0	2.4	4.6	8.3	6.0	.3
Montana	13.7	.4	5.0	2.3	2.3	6.2	2.8	4.4	1.3	.2
North Dakota	4.0	0	2.6	2.3	2.0	.2	0	.8	.6	0
South Dakota	4.0	.5	4.6	2.7	2.1	2.4	.4	1.3	1.1	0
Utah	10.1	0	2.8	2.5	2.4	18.4	0	4.0	2.4	.2
Wyoming	2.1	0	1.7	1.1	1.0	.1	1.3	2.4	.5	.2
Region IX	267.2	58.3	102.5	98.2	94.9	31.3	455.9	21.0	34.9	6.8
Arizona	22.9	5.3	17.7	11.8	12.3	4.7	38.5	4.8	1.5	.4
California	208.3	46.8	78.2	77.5	78.5	18.8	353.9	10.3	31.5	4.2
Hawaii	4.7	2.0	5.8	2.9	2.2	2.7	18.2	.9	.7	.8
Nevada	4.3	2.8	1.1	2.3	2.0	2.1	17.0	3.7	1.0	.2
Guam	1.4	.8	0	.6	.5	0	4.2	.5	.2	.4
American Samoa	.3	.2	0	0	.1	0	1.0	.2	0	.4
Trust Territory	.4	.5	0	.1	.3	0	2.1	.6	0	.4
Region X	68.8	.7	31.0	28.4	22.8	22.6	7.6	48.2	14.7	1.9
Alaska	2.4	0	2.5	2.2	2.3	.1	.9	2.8	.5	.8
Idaho	4.5	0	2.8	2.9	1.9	1.8	.7	7.1	1.1	.2
Oregon	21.9	0	6.2	8.1	7.1	12.3	.3	11.2	4.0	.4
Washington	38.0	.7	15.5	14.2	11.5	8.4	6.7	12.1	7.1	.5

[1] Includes funding for Youth Community Conservation and Improvement Projects (YCIPP), Youth Employment and Training Programs (YETP), and Youth Incentive Entitlement Pilot Projects (YIEPP).

[2] Includes $22.7 million transferred to the Department of the Interior and $58.7 million transferred to the Department of Agriculture for title IV.

[3] Includes $148.3 million transferred to the Department of the Interior and $78.7 million transferred to the Department of Agriculture for title VIII Young Adult Conservation Corps.

Source: 1979 Employment and Training Report of the President (Statistical Appendix), p. 366.

Characteristics of Participants in CETA Titles I, II, VI, and Summer Programs, Fiscal Year 1978

[Percent Distribution]

Characteristic	Title I	Title II	Title VI	Summer programs
U.S. total	1,321,000	238,200	1,884,900	894,000
Percent	100.0	100.0	100.0	100.0
Male	48.8	54.7	62.3	51.6
Female	52.7	45.3	37.7	48.4
Age:				
Under 22	46.8	28.8	21.4	100.0
22 to 44	42.5	64.7	68.1	----------
45 to 54	4.4	3.9	5.3	----------
55 and over	3.3	2.6	5.3	----------
Education:				
8 grades or less	8.4	5.9	7.9	6.6
9 to 11	32.4	14.1	18.9	78.9
12 and over	59.2	80.0	73.3	13.5
On public assistance:				
AFDC	14.7	7.5	11.6	48.2
Other	5.7	7.4	5.3	
Economically disadvantaged	70.3	62.0	51.2	88.5
Ethnic group:				
White	69.8	71.6	65.9	69.3
Black	28.7	25.7	28.5	25.3
American Indian	1.5	1.1	2.3	2.6
Other [1]	4.3	2.6	3.3	4.3
Spanish American	12.5	6.6	6.6	12.6
Limited English-speaking ability	6.0	2.5	2.9	4.5
Migrants or seasonal farm workers	1.2	.9	1.2	.6
Veterans:				
Total	6.7	20.8	32.1	.2
Vietnam era [2]	5.7	6.5	7.5	----------
Special [3]	2.1	6.0	6.0	----------
Disabled	.5	.9	1.0	----------
Handicapped	6.4	4.7	4.1	1.7
Full-time student	30.7	2.3	1.7	----------
Offender	7.3	5.3	4.7	2.3
Labor force status:				
Underemployed	4.0	4.3	2.3	1.1
Unemployed	77.3	55.7	55.7	35.6
Other	18.8	32.0	8.1	63.3
Receiving unemployment insurance	5.5	22.7	14.5	.3
Median hourly wage:				
Prime sponsor	$2.94	$4.20	$3.21	$2.30
Federal	$3.36	$4.05	$3.98	$2.30

[1] A large portion of this group reflects the reclassification in Puerto Rico by ethnic categories.

[2] Served between Aug. 5, 1964, and May 7, 1975, and are under age 35.

[3] Served in Indochinese or Korean theater of operations between August 1964 and May 1975.

Source: 1979 Employment and Training Report of the President (Statistical Appendix), p.369.

WIN PROGRAM
SIGNIFICANT STATISTICS

	Fiscal Year		Change	
	1978	1977	Number	Percent
Intake:				
New registrants	1,013,247	1,060,739	-47,492	-4.5
On board, end of fiscal year	1,553,010	1,541,761	11,249	.7
Appraisals (initial)	644,238	690,825	-46,587	-6.7
Entered employment 1/ (unsubsidized)				
Total 2/	286,404	272,006	14,398	5.3
Full-time	254,191	245,566	8,625	3.5
Part-time	39,399	31,938	7,411	23.2
Employment and training 3/ (subsidized)				
Total	193,920	150,401	43,519	28.9
WIN funded	104,148	89,263	14,885	16.7
Non-WIN funded	89,772	61,138	28,634	46.8

1/ Expected to last 30 days or more. In fiscal 1978, an additional 5,294 registrants entered shorter term employment, bringing the total number of registrants entering unsubsidized employment to 291,698.

2/ An individual may have held both full-time and part-time employment during the year and is counted in each, but only once in the total.

3/ Includes on-the-job training, public service employment, institutional training, and work experience.

Source: WIN: 1968-1978, A Report at 10 Years (9th Annual Report to the Congress), p. 1.

WIN Registrants and Job Entrants by Selected Characteristics, Fiscal Year 1978
(Percent)

Characteristic	Registrants	Job Entrants
Total	100	100
Sex:		
Male (total) 1/	26.1	33.8
Unemployed fathers	8.5	15.8
Female	73.9	66.2
Ethnic group:		
White	55.7	66.1
Black	38.9	30.4
American Indian	.7	.9
Other	2.4	1.8
INA 2/	2.3	.8
Hispanic 3/	11.7	10.3
Years of school completed:		
0 to 7 years	10.1	6.1
8 to 11 years	48.0	45.0
12 years	33.6	38.8
Over 12 years	8.3	10.1
Age:		
Under 20 years	8.9	7.7
20 to 21 years	5.5	6.7
22 to 24 years	9.7	12.5
25 to 29 years	19.7	23.5
30 to 39 years	33.8	34.2
40 to 44 years	9.6	7.8
45 to 54 years	10.3	6.6
55 to 64 years	2.3	.9
65 years and over	.2	.1
Registrant status:		
Mandatory	82.7	82.4
Voluntary	17.3	17.6

1/ Includes male heads of single-parent households, unemployed fathers, and other males, most of them youth (under 22 years of age) who are recipient members of AFDC families.
2/ Information not available.
3/ Also included in other (racial) groups.
Source. WIN: 1968-1978, A Report at 10 Years (9th Annual Report to the Congress), p. 20.

Appendix 2.

PROJECTS COMPLETED DURING FISCAL YEARS 1978 AND 1979*

The Office of Research and Development

I. Program Planning and Administration

Grant/Contract No.	Project	Contractor
21-11-77-07	Assessment of the Comprehensive Employment and Training Act (CETA). Assessed structural and programmatic impact of CETA. Explores differences between CETA Title I programs and predecessors and compares legislative goals with results; also examines impact of public service employment and degree to which primary objective, creation of new jobs, is achieved.	National Academy of Sciences
21-11-76-08	Demonstration Program on the Career Information System. Designed and conducted eight workshops to provide information and instruction to career education counselors, teachers, and administrators.	American Personnel and Guidance Association
20-24-76-69	Determining the Management Information Needs of the United States Employment Service. Contractor completed comprehensive review of the ES, developed flow charts showing management processes, compared processes and information needs with an idealized system, and made recommendations for improvement.	Macro Systems, Inc.
21-17-73-48	Development of a Model System of Manpower and Economic Indicators and Forecasts for Urban Labor Market Areas. Established a local data system and a manpower and economic forecasting model to improve manpower economic policy and planning in the Chicago city government.	Mayor's Council of Economic Advisors. Chicago, Ill.

*Note: Doctoral dissertations funded through the Office of Research and Development's Small Grant program are not included in this listing.

Grant/Contract No.	Project	Contractor
21-42-75-13	An Experimental Design of a Net Benefit Analysis of the Employment Service. Found that job applicants who use the ES take significantly longer, on the average, to find acceptable jobs than do other applicants but the ES contributes significantly to reducing search time of specific groups who are unsuccessful in finding jobs other ways.	The University of Pittsburgh
82-11-71-17	State Salary Comparability Study. Developed comparative salary survey procedures applicable at State levels, patterned after those currently used for Federal pay-setting purposes. Procedures were designed to help State governments achieve more equitable salary scales based on periodically surveyed pay rates in the general labor market.	Bureau of Labor Statistics
21-11-76-19	Study of the Feasibility of Applying Employee Incentives to Local Offices of the ES. The study examined the feasibility of providing employee productivity incentives in local employment service (ES) offices. Nine States participated. In addition, limited information on barriers to the introduction of incentives in 44 States was obtained from regional offices of the U.S. Civil Service Commission.	The Urban Institute
20-11-76-54	Study of Older Workers: Synthesis, Analysis, and R&D Strategy. Discusses the employment-related problems of workers aged 45 years and older; retirement; the situation of the older female, minority, and rural workers; mid-career changes and problems; discrimination; government programs affecting older workers; and part-time work and restructuring. Identifies gaps in past and ongoing research efforts.	American Institutes for Research

Grant/Contract No.	Project	Contractor
82-11-71-17 & 82-36-71-17	Pay Comparability Survey: An Approach for State Governments. Developed a means for State governments to compare their salary structures to that of the Federal Government.	Bureau of Labor Statistics & Institute of Public Administration.
20-51078-50	The OPER Project Officer's Handbook. A manual designed specifically for desk use of OPER project officers. It describes elements involved in effective monitoring and sets forth procedures required to assure adequacy in carrying out project monitoring responsibilities.	Evaluation Technologies, Inc.
20-25-78-22	The Role of Community Based Organizations Under CETA. Examined prime sponsors use of community-based organizations (CBO's) in training minority group clients under CETA. Was the scope of service to minorities affected, and how?	Urban Systems Research and Engineering, Inc.
21-39-75-10	Implementation of CETA and Area-wide Planning of CETA. Focused on different forms of area-wide planning for local labor markets as a critical feature of comprehensive planning and program operations by prime sponsors.	The Ohio State University
21-36-77-08	Involving Private Employers in CETA Programs: A Case Study. Case studies of nine prime sponsors with records of successful cooperation with business firms. Assesses economic, organizational, political, and social factors facilitating private sector involvement in CETA programs.	The Conference Board.

Grant/Contract No.	Project	Contractor
20-25-77-25	Developing a Methodology for Determining Employment Service Penetration Rate of Job Market. Project determined what could be learned from various data sources about the level and composition of job openings and new hire flows on the national level. Then contractor developed and tested a methodology for making direct estimates.	Abt Associates, Inc.
20-11-78-23	A Management Review of the Occupational Analysis Program of the United States Employment Service. Reviewed and evaluated the present system of collecting, analyzing, compiling, and issuing occupational information under the guidance of the USES Office of Technical Support. Goal: to make modifications to improve cost-effectiveness.	Booz, Allen and Hamilton, Inc.
20-42-75-45	Analyzing the Impact of Mandatory Registration on U.S. Employment Service Performance. Project (1) measured the work-load imposed on the ES by mandatory registrants and the "work test" function; (2) identified the services provided by the ES to those regarded as mandatory registrants; (3) distinguished categories of mandatory registrants; and (4) analyzed the workload impact on ES resources generated by mandatory registrants	Camil Associates, Inc.

II. Programs and Techniques

Grant/Contract No.	Project	Contractor
21-11-77-15	A Continuous Training/Employment Referral and Support System for Young Dropouts. Contractor planned and designed a continuous referral and support system (CSR) in which a coordinated program would refer school dropouts to local agencies providing training and employment opportunities for young people.	Bureau of Social Science Research, Inc.
20-11-77-18	Assessing the Feasibility of Large-Scale Counter-cyclical Public Job Creation. Identified useful public work activities and assessed their feasibility and potential for broad-scale expansion to provide jobs for large numbers of unemployed persons. The central issue of how many activities could be undertaken was examined.	The Urban Institute
21-36-77-12	Youth Serving the Community: Realistic Public Service Roles for Young Workers. Project produced a monograph on public service jobs projects that are particularly suitable or can be adapted for youth. Project can be a guide for prime sponsors and other program operators in conceiving, planning, developing, and implementing their own projects.	The National Child Labor Committee
92-36-72-12	Supported Employment Projects in the Public Sector. Project examined the feasibility and potential of public service supported work programs for individuals with addiction, alcoholic, or offender backgrounds who are unable to remain employed successfully. Assessed effectiveness of such programs, problems encountered in implementation, and impact on this special group.	Vera Institute of Justice
21-51-75-14	An Analysis of Training Under the GI Bill. The study (1) examined GI bill administrative procedures, problems, and costs; (2) analyzed extent of its utilization by different demographic groups, and (3) assessed the effects of education and training taken under the GI bill on subsequent earnings and work experience.	The Public Research Institute of the Center for Naval Analyses

Grant/Contract No.	Project	Contractor
21-11-77-13	The Feasibility of Awarding Postsecondary Educational Credit on the Basis of Apprenticeship Programs Registered with the Bureau of Apprenticeship and Training. Research evaluated eight apprenticeship programs and recommended that college credits be granted for the training provided. Recommended credit ranged from 9 to 48 semester hours toward associate and baccalaureate degrees. All programs would have to be evaluated independently.	American Council on Education
21-51-78-22	To Test the Feasibility of Developing Data on Non-registered Apprentices by Occupation and Industry and State Using Two Ongoing Statistical Programs. Discovered that data problems preclude the use of the ongoing State and National Apprenticeship Program Statistics (SNAPS) and the Occupational Employment Statistics (OES) for estimates on unregistered apprentices. Recommends other procedures.	Manpower and Education Research Associates
21-24-77-06	A Feasibility Study to Develop a Strategy for Implementation and Utilization of Findings of the Health Services Mobility Study. Developed a strategy for implementation and utilization of the HSMS, through consultation of outside experts, DHEW, et al. including estimates of time, money, and staff necessary to carry out each strategy.	Health and Education Resources, Inc.
82-34-69-34	Health Services Mobility Study. The basic goal was to develop methods of facilitating upward mobility and more effective development and use of health workers. Developed, tested, and applied a highly sophisticated, explicitly researched, and well-documented methodology for job analysis, occupational structuring, and curriculum design. Methods reflected or were directed to operating situations, principally in health service organizations and educational institutions.	The Research Foundation of the City of New York

Grant/Contract No.	Project	Contractor
20-36-75-15	Minority Women Employment Program: A Demonstration Program to Facilitate Entry of Minority Women Into Managerial, Professional, and Technical Occupations. Started in Atlanta in 1972, in Houston in 1973, and in 1974 extended to Dallas, New Orleans, Tulsa, Cincinnati, and Los Angeles. Techniques developed that place minority women in situations that previously had no representation, and in better paying jobs.	Recruitment and Training Program, Inc.
20-11-73-25	Survey of Sheltered Workshops and Their Handicapped Clients. First phase of study was forwarded to Congress during the summer of 1977. In second phase, completed report (to be transmitted to the Congress) is made on a survey of the attitudes and experiences of handicapped workshop employees.	Employment Standards Administration, U.S. Department of Labor
51-36-76-03	An Analysis of Unassigned Recipients in the WIN Program. Study examined the potential of unassigned recipients for training and job placement by reviewing their previous work experience and relevant social, economic, and demographic characteristics, and local labor market conditions. Most can accept full-time employment, if child care needs are met.	P/RA Research, Inc.
51-11-73-02	Feasibility Study for the Introduction of Vouchers Into the Work Incentive Program. Objectives were (1) to determine the administrative feasibility of the use of vouchers for the purchase of employment and training services by the WIN participants; (2) to estimate the administrative costs and benefits of using vouchers for training in comparison with current WIN practices; and (3) to provide a guidebook on vouchering for local WIN office use.	Bureau of Social Sciences Research, Inc.
51-17-76-05	Men in WIN. Examined participation of men in the WIN program. About half of the States provide AFDC benefits to families in which the father is present but has been unemployed for at least 30 days. These men, together with men who are single heads of households, comprise about 25 percent of all WIN clients.	Impact, Inc.

Grant/Contract No.	Project	Contractor
12-42-74-11; 51-42-73-05	Paternal Authority and the Outcome of Work Training and Income Maintenance Programs. Studied the relationship between family structure and economic dependency. Hypothesized that where economic and internal family structure tends toward a matriarchy, probability of abandonment by the father increases and the chance of escaping economic dependency decreases.	Center for Research on the Acts of Man
51-36-75-01	Physical Rehabilitation and Employment of AFDC Recipients. Project demonstrated that persons who have marketable skills but who are currently unemployed because of health-related disabilities can be returned to the labor market at minimum cost.	Cornell University
SR500-75-18	Development and Design of a Social Service Voucher System. A joint funding with WIN to perform conceptual and developmental work for studying the dynamics and effects of using a voucher system to finance the purchase of social services by WIN and other welfare clients.	Social and Rehabilitation Services, U.S Dept. of Health, Educat on, and Welfare
21-11-77-16	Short-term Assistance to Preserve Jobs for Accused Citizens: Employment and Crime Project. Developed and tested an experimental program using law students to provide short-term services to defendants before the Superior Court ot the District of Columbia. The objective was to help these defendants to keep their jobs.	The American University
20-13-75-46	Transitional Aid Research Project for Ex-Offenders. Tested the effect of financial assistance (at a level comparable to weekly unemployment compensation) or job placement services on rates of employment and rearrest among ex-offenders.	Georgia Dept. of Labor
20-48-75-44	Transitional Aid Research Project for Ex-Offenders. Conducted simultaneously and in identical manner in both Texas, and Georgia a transitional aid project. Cf. 20-13-75-46 above.	Office of the Governor of Texas, Criminal Justice Division

Grant/Contract No.	Project	Contractor
21-06-77-03	Vocational Education: How Much? For Whom? Examined the relationship between youths' high school curriculum and subsequent educational and employment experience.	Carnegie Council on Policy Studies in Higher Education
28-27-78-55	An Experimantal Basic Education Program. Tested the effectiveness of two instructional methods for providing a program of basic educational skills to CETA title III eligible youth aged 14-21 in Raleigh, North Carolina, during the summer of 1978.	Shaw University
20-11-76-37	Study of Job Corps Allowance Systems and Home Leave Pilot Project. Explored strategies of an increased allowance and early home leave as incentives to reduce the high dropout rate and high turnover among Corps members.	Planning and Human Systems, Inc.
21-55-76-11	Project JOIN, a Demonstration Project to Develop and Test Job Sharing and Flexible Time Arrangements in the Wisconsin Civil Service. Measured the productivity of those in conventional work situations and the impact of creating less than full-time jobs on the balance of the work units in which persons sharing jobs were located.	Wisconsin Dept. of Employment Relations
PO 20-11-79-05	Utilization of Retired Teachers as a Supplementary Educational Resource. A study to determine the feasibility of using retired teachers to make a significant impact on the solution of educational problems in the District of Columbia through the exercise of their lifetime skills, without undercutting the incomes or ambitions of younger teachers.	Lawrence H. Mirel

Grant/Contract No.	Project	Contractor
20-24-78-06	Factors Affecting Development of Alternative Employment for Migrant and Seasonal Farmworkers. Researched and produced staff training materials to improve the ability of Section 303 CETA grantees to help farmworkers leave agricultural employment.	Miller & Byrne, Inc.
20-27-78-43	A Study to Assess the Feasibility of Developing Measures of the Quality of Training Provided in CETA. Reviewed current state of the art in effort to get at suitable measures for more objective methods and techniques for evaluating the success of CETA training.	Great Lakes Research, Inc.
21-41-78-41	A Documentation of the Labor Market, Training and Apprenticeship Dimensions of a Woodworking Training Program. Investigated labor market and other issues in preparation for later assessment of a model apprenticeship program in woodworking skills and a decision on developing apprenticeship and training standards for the woodworking industry.	Oregon State University
28-29-78-53	Demonstration Research on the Vocational Exploration Program (VEP) for Youth. Assessed the effects on participants of the summer NAB-VEP program, and compared these effects with those for summer programs operated by prime sponsors (SPEDY--Summer Program for Economically Disadvantaged Youth). Special analysis was made for study of the 1978 NAB-VEP special components for the handicapped, ex-offenders, and entrants into nontraditional jobs.	St. Louis University

Grant/Contract No.	Project	Contractor
20-34-76-12	A Follow-Up Study of Recipients of Federal Supplemental Benefits. Followed up and provided information about recipients of Federal Supplemental Benefits (FBS) and Special Unemployment Assistance (SUA), including personal and family characteristics, relationships with other transfer programs, and effects on incentives to seek jobs.	Mathematica Policy Research, Inc.

III. The Labor Market

Grant/Contract No.	Project	Contractor
20-11-76-11	Demographic Trends, Labor Force Changes, and the Economy. The National Commission for Manpower Policy (NCMP)--now "Employment" Policy--commissioned three papers in the fields of demographic and labor force changes and arranged for them to be presented at three regional conferences.	National Commission for Employment Policy
20-51-76-53	Base Line Study of Urban and Rural Nonreservation Indian Employment and Training Programs. Completed baseline research study and provided information on factors affecting the success of CETA programs sponsored by urban and rural nonreservation Indians. The information was compiled into a report on model Indian urban employment and training center function and operations.	Native American Consultants, Inc.
20-11-77-26	A Descriptive Analysis of Health Programs Under CETA Legislation. Developed descriptive and comparative data about persons being trained for health-related positions through CETA support.	Kirschner Associates, Inc.
20-25-77-20	Documentation and Analysis of National Program for Selected Population Segments. Analyzed 82 projects for special groups (e.g. rural workers, women, and youth) across the U.S. in order to give considerable detail on successful ones so that they might be replicated by other CETA sponsors.	Abt Associates, Inc.
21-20-77-26	Measuring the Earnings Impact of Labor Market Programs of Hispanic Americans. A pilot evaluation of the effect of the employment service (ES), the CETA Balance-of-State program, and the Work Incentive Program (WIN) on the earnings of Hispanic Americans in Kansas.	The University of Kansas
21-10-77-33	A Labor Market Success Model of Young Male Hispanic Americans. Developed a labor market success model for young male Hispanics in an urban setting.	Latin American Community Center

Grant/Contract No.	Project	Contractor
21-06-79-16	Linguistic Structures Affecting Training of Hispanic Americans. Persons who spoke Spanish as their native language and were also fluent in English were compared with those who spoke only English to examine semantic structures that would affect vocational success.	Rural Manpower Laboratory
20-11-74-21	A Study of Immigrants in the Labor Force. To determine the nature and extent of immigrant participation in the labor force and the factors that inhibit or encourage participation, the training that immigrants bring with them and its utilization, their earnings, and their labor market experiences over time.	Linton and Company, Inc.
21-42-73-43	Study of Public Utility Internal Labor Market. Examined (1) The effects of the employment policies of a public utility on the composition and advancement of different groups in its work force; and (2) the firm's recruiting practices and its internal labor market.	Carnegie-Mellon University
21-01-76-21	Women and Part-Week Work. Examined four aspects of the part-week employment of married women: The proportion holding part-week jobs; characteristics increasing the probability of part-week work; the wage effect of part-week work in a woman's work-life history; and the impact on her unemployment experience.	School of Business, Auburn, University
20-11-76-47	The Youth Labor Market: A Dynamic Overview. Using six years of data from the National Longitudinal Surveys of young men and women, researchers looked at (1) factors that are significant in determining whether the youth are working, unemployed, out of the labor force, attending college or post high school training, (2) factors that explain different wage rates among full-time workers, and (3) determinants of turnover, unemployment, and changes in wage rates induced by job changes.	Bureau of Labor Statistics

Grant/Contract No.	Project	Contractor
92-26-72-35	Effectiveness in Work Roles. Reports on a number of issues concerning the measurement of working conditions and the impact of work environment on employee behavior. Used a large number of descriptors, alternative methods of measurement, and measurement of same environments and workers after a 20-month time lapse to get at cause-effect relationships.	The University of Michigan
21-06-77-04	An Empirical Assessment of the Process and Outcomes of an Organizational Change Project Aimed at Improving the Quality of Work Life. A national food service organization attempted to improve employee satisfaction and work-group performance by a program on human relations, participative problem solving, and team development. This study analyzed the results of influence on job satisfaction, commitment, managerial leadership, organization climate, and group interaction on performance of the work unit.	Stanford University
21-26-74-16	A Longitudinal Study of Employee Participation in Job Structuring. Examined the effects of a consultant's efforts to improve the quality of work life (QWL) and productivity in a newly established medical products organization.	The University of Michigan
20-51-77-37	Rearranged Work Schedules of Handicapped Employees in the Private Sector. Looked at different work arrangements for handicapped employees in one firm, Control Data Corp.	Rehab Group, Inc.
20-24-77-29 20-17-77-30	Research Design on the Operation of a Federal Government Labor Market. The two organizations indicated prepared designs for a research study of the Federal Government as a labor market for the civilian workers employed under merit systems.	ORI, Inc. Northwestern University

Grant/Contract No.	Project	Contractor
21-11-78-36	Exploratory Research on National Worktime Preferences. The project examined the willingness of workers to trade income for leisure time and their scheduling of preferences.	National Commission for Employment Policy
21-06-77-27	Factors Influencing the Participation of Elderly Spanish Americans in CETA and Title IX of the Older Americans Act. A survey of elderly Hispanic Americans in Riverside Co., California, to study their participation in employment and training programs under CETA and the Older Americans Act.	County of Riverside, Riverside, CA.
20-11-79-11	Socio-Economic Policies and Programs for the Elderly. A paper, prepared in response to a request from the Organization for Economic Cooperation and Development, as the U.S. contribution to a joint project in cooperation with 15 other countries, including Japan and Western European Nations.	American Institutes for Research, Inc.
21-06-78-01	A Developmental Conceptual Research Project on Labor Market Participation of Hispanic Women. One of a series of studies on various employment and training related problems affecting Hispanic Americans. Aims to provide a basis for subsequent policy research and programs for this CETA target group.	Pasadena Urban Coalition
20-04-76-55	Local Labor Market Econometric Forecasting Models. Developed local (SMSA) econometric models capable of generating detailed midterm (1-3 year) forecasts of labor supply and demand in local labor markets that are cyclically sensitive.	The University of Arizona
20-11-74-21	Seven Years Later: The Experiences of the 1970 Cohort of Immigrants in the U.S. Labor Market. Determined the nature and extent of immigrant participation in the labor force and other aspects of their experience.	Linton and Co. Inc.

Grant/Contract No.	Project	Contractor
20-06-77-16	Characteristics of Non-Apprehended and Apprehended Undocumented Residents in the Los Angeles Labor Market: An Exploratory Study. Researchers compared (1) the social, labor force and economic assimilation characteristics of the two groups, (2) compared these characteristics of the nonapprehended and undocumented aliens with samples of previously apprehended illegal aliens from Mexico, and (3) compared the One Stop clients with foreign-born from Mexico as enumerated in the 1970 census.	The University of Southern California
21-39-78-05	Application of the Delphi Technique to the Analysis of Hispanic American Employment Problems as Related to Industrial Corporations and Universities. Part of the studies noted in 21-06-78-01 above in this section.	University of Toledo
21-36-75-17	Demonstration Project for the Establishment of a Domestic Clearinghouse and Information Network on Productivity and the Quality of Working Life. The clearinghouse provides channels of communication among researchers, union officials, consultants, and organization executives who are concerned with increasing the productivity and quality of working life.	Work in America Institute
23-11-77-04	Performance of the International Association of Fire Fighters Labor Recruitment Program.	Sam Harris Associates
21-12-78-09	Comprehensive Review and Evaluation of the Unmet Needs of Spanish Americans in Broward County, Florida. Part of Hispanic studies referred to in 21-06-78-01 above.	Broward Manpower Council, Ft. Lauderdale, Fla.
21-48-78-12	Institutional Barriers to Employment and Economic Mobility of Puerto Ricans in New York City. Part of the Hispanic studies referred to in 21-06-78-01 above.	Cornell University
21-48-78-12	The Human Capital Model and Discrimination: The Roles of Schooling, Experience, and Functional Literacy in Texas. Part of the Hispanic studies referred to in 21-06-78-01 above.	Southwest Educational Development Laboratory

Grant/Contract No.	Project	Contractor
21-48-78-15	Analysis of Career Patterns and Problems Among Mexican American College Graduates. Part of the Hispanic studies referred to in 21-06-78-01.	University of Texas at San Antonio
21-36-77-29	A Model for Successful Utilization of Employment and Training Resources by Chicano Addicts and Convicts. Part of the Hispanic studies referred to in 21-06-78-01 above.	Chicano Pinto Research, Inc.
21-36-77-29	Labor Market Re-entry Problems of the Hispanic American Parolee in New York City. Part of the Hispanic studies referred to in 21-06-78-01 above.	Private Concerns, Inc.
20-17-78-57	Evaluating the Macroeconomic Impact of the Public Service Employment Component of CETA. Project made a preliminary examination of various macroeconomic impacts of the public service component of CETA.	Northwestern University

IV. Economic and Social Policies

Grant/Contract No.	Project	Contractor
21-01-77-14	Income Inequity and Employment. A synthesis/analysis of more than 50 research and development projects sponsored by the Employment and Training Administration on the subject of income and employment.	The University of Alabama
20-51-77-43	A Review and Analysis of Econometric Models of the U.S. Economy With Particular Reference to the Impact of Energy Policies on Labor Demand and Employment. Reviewed three classes of energy models to determine their usefulness in addressing employment and training issues related to changes in energy supply and demand.	Dr. Dale M. Heien, and Dr. Albert J. Eckstein
21-29-73-49	Static and Dynamic Labor Supply Functions. Used data from the National Longitudinal Surveys to examine the determinants of wage differences, labor supply, and labor supply changes for mature men.	Washington University
20-11-78-25	Survey of the Public's View of the Problems of Unemployment. The overall objective was to provide information on public opinion about issues related to CETA Title VI and other programs.	Public Research, Inc.

Appendix 3

FUNDING ACTION IN FISCAL 1979[1]

The Office of Research and Development

I. Program Planning and Administration

Grant/Contract No.	Project	Contractor
* 21-21-78-27	Science and Engineering Newsletter for Black Students in Grades 4-8. Objective is to improve the Quarterly Science and Engineering Newsletter, a publication for black students in grades 4-8. The purpose of the newsletter is to interest minority youth in science and engineering.	National Consortium for Black Professional Development
* 20-42-78-53	Labor Market Information and Job Search Program. Project will develop an in-school labor market information and job search skills program for minority youth in an inner-city high school to test the hypothesis that providing adequate labor market information to high school students will help them adjust to the labor market.	Universal Systems Development, Inc.
* 21-36-77-17	Continued Development and Application of a Metro-area Econometric Model for Estimating Employment by Industry and Occupation. To develop a general model for linking the metropolitan economy to the national economy in order to facilitate the forecasting of economic activities of small areas, e.g. metropolitan and other labor markets.	Columbia University
* 21-11-78-36	Developing and Testing of Employee Productivity Incentives for Local Offices of the U.S. Employment Service. The project will test whether incentive awards for local ES offices can serve as a cost-effective management tool by improving staff performance without reducing overall employee job satisfaction.	The Urban Institute

[1]Funding for the first 11 months of the fiscal year only. Excludes miscellaneous small grants and purchase orders.

*Indicates refunding.

Grant/Contract No.	Project	Contractor
*21-25-79-24	A Demonstration Program of Training, Research, and Technical Assistance for Employment and Training Administrators.	President and Fellows of Harvard College
20-36-79-17	Verification of Eligibility of CETA Applicants. A study to verify the eligibility for CETA titles II-B, II-D, and VI; to develop procedures and techniques to be used as models; and to provide Federal managers a tool for monitoring.	Dialogue Systems, Inc.
20-24-79-37	To Assess the Impact of New Federal Regulations and Administrative Guidelines on Employment Service Operations. To conduct a process evaluation of the implementation of the new regulations and to document the procedural changes occasioned by the new regulations at all organizational levels of the ES.	Booz-Allen and Hamilton, Inc.
20-29-79-27	Summary of ES R&D 1975-1979. To examine the ES R&D projects funded during the period fiscal year 1975-1979 and to distill findings and implications for ES operations, policy decisions, and further research and evaluation.	Dr. David W. Stevens
20-11-79-14	Employment Service Job Orders, Cancellations, and Referrals. To examine the extent and attendant reasons for filled and cancelled job openings (job orders) and to conduct a demonstration to test corrective actions that may be taken by the local ES office to reduce its job order cancellation rates.	Arthur Young and Co.

Grant/Contract No.	Project	Contractor
20-24-79-13	Survey to Provide a Functional Description of Employment Service Local Offices. To develop and conduct a survey in order to provide a systematic and comprehensive "picture" of the structure of operations and operating environments of the public employment service at the point of service delivery--the local office; and to provide a data base that can be used to classify, describe, and otherwise analyze the characteristics of local offices.	Westat, Inc.
21-36-79-02	An Evaluation of Public Service Employment in the Home Care Field. To analyze data for a study in cooperation with the State Communities Aid Association on the impact of a CETA public service employment (PSE) project in the home health care field. Data emanating from the PSE projects will be analyzed to test several assumptions regarding the suitability of home care jobs for significant numbers of welfare clients.	Welfare Research, Inc.
21-36-79-01	An Evaluation of Public Service Employment in the Home Care Field. A study of the impact of a CETA Public Service Employment (PSE) project in the home care field, currently being operated by the grantee in New York City. The grantee is working cooperatively with Welfare Research, Inc. which has a tandem grant to analyze the data emanating from the PSE project in order to test several assumptions regarding the suitability of home care jobs for significant numbers of welfare clients.	State Communities Aid Assoc. New York, N.Y.
20-47-79-07	Coal Mine Productivity. The major objective of this study is to develop empirical evidence on the causes of decline in coal mine labor productivity. More specifically it will sort out and weigh the contribution of economic and institutional factors in coal mine labor productivity.	U.S. Dept. of Energy

Grant/Contract No.	Project	Contractor
20-21-79-34	Client Tracking Management Information System. This project is developing an interim client tracking and management information system for use in the Employment Opportunity Pilot Projects (EOPP's) which are testing the jobs component of the Administration's welfare reform proposal.	Infosystems Technology, Inc.
20-24-79-36	Developing Methods for Obtaining Information on the Disposition of Employment Service Referrals to Job Openings and Placements. The contractor will observe existing methods of obtaining data on the results of referrals and placements by visiting some local offices and will then conduct a pilot test of an idealized system in two offices.	Macro Systems, Inc.
20-11-79-43	Analyzing the Apprehension Statistics of the Immigration and Naturalization Service. Phase I: An Exploratory Study. The purpose of the study is to examine the ongoing management data collection system of the Immigration and Naturalization Service in order to find out about its suitability for providing ongoing labor market and demographic information to policymakers.	New Trans Century Foundation, Inc.
*33-36-75-01	Supported Employment. A program to test the effectiveness of a transitional work program on four groups of traditionally hard-to-employ people: ex-offenders, ex-addicts, young school dropouts, and women who are long-time recipients of welfare payments under AFDC. Project offers such persons a job for a specific period of time, an environment in which success is possible, and preparation to gain permanent employment in the regular labor market. Currently in 15 sites, enrolling more than 5,000 persons.	Manpower Demonstration Research Corporation

Grant/Contract No.	Project	Contractor
*21-48-77-19	One-stop Apprenticeship Opportunity Center. To determine the feasibility of a one-stop center to register applicants for admission into apprenticeship programs. To centralize and streamline application and screening for apprenticeship entry in all occupations for an entire city.	University of Texas
*21-11-76-06	Rural Employment Outreach E&D Project. Objective is to develop and test the feasibility of a model rural outreach and area-wide affirmative action program as a means of increasing employment opportunities for rural minority workers on major public works projects.	The National Rural Center
*23-11-77-04	Performance of the International Association of Fire Fighters' Labor Recruitment Program. Designed to conduct on-site observations and analyses of the operational procedures of the International Association of Fire Fighters (IAFF) Labor Recruitment Program and to analyze all available pertinent information and data related to past and current operations of the program. The purpose is to isolate those success factors that can be transferred to similar outreach programs funded by DOL/ETA.	Sam Harris Associates
*20-25-77-15	Research on Minnesota Work Equity Program. The Minnesota WEP is testing the operational feasibility and effectiveness of a new service delivery system providing guaranteed work or training as an alternative to income transfer programs. This project will document the feasibility and effectiveness of WEP through development and implementation of a comprehensive research design as a basis on which to make decisions regarding new legislation for national replication.	Abt Associates

Grant/Contract No.	Project	Contractor
*20-24-75-37	Job Search Relocation Assistance. A pilot project to: (1) test the feasibility and effectiveness of using the Job Bank as the major source of information on hard-to-fill jobs in providing relocation services to unemployed workers through local employment offices; (2) to determine whether a broader, nationwide relocation assistance program is desirable; and (3) evaluate procedures and techniques that might be incorporated into a broader program.	Westat, Inc.
*42-25-72-10	The Manpower Implications of National Health Insurance. To assess the impact on the number and composition of health workers under each National Health Insurance (NHI) plan currently under Congressional consideration; the demand for services, facilities, and health care, and health care personnel will be projected based on the current manpower structure and each NHI proposal.	Northeastern University
51-09-79-01	Investigation of the Feasibility and Need Factors Involved in Establishment of a Special WIN Unit for Women Losing AFDC Eligibility.	University of Connecticut
21-55-79-14	Descriptive Narrative of Milwaukee County's Work Assistance Program. A project to study the history of Milwaukee County's Work Assistance Program, the process of its operation, and its impact on General Assistance recipients and the communtiy.	The University of Wisconsin
20-34-79-28	Conceptual Design Phase of a Work-Sharing Demonstration Project. A planning study to determine how a work-sharing demonstration might be structured to determine the costs and potential pay-off of a program involving work sharing as an alternative to lay-offs.	Mathematica Policy Research, Inc.

Grant/Contract No.	Project	Contractor
21-51-79-40	Epidemiological Study of the Prevalence of Medical and Dental Conditions at Job Corps Centers. This study will collect health care data from a small, representative sample of eight Job Corps Centers varying according to relevant characteristics.	Kappa Systems, Inc.
21-25-79-22	Private Sector OJT of Disadvantaged: An Industry-wide Approach. An assessment of the effectiveness of a demonstration program to train 1,500 workers (most of whom are disadvantaged minorities and women) in the women and children's clothing industry.	Northeastern University
21-29-79-11	Mobilizing Resources to Cope With a Plant Shutdown. A demonstration of how to coordinate various community resources to give relief at time of a plant shutdown.	Utah State University
21-36-79-03	Human Resources Traineeship. A one-year fellowship program for staff members of employment and training agencies who will work under the direction of the staff of the Conservation of Human Resources Project, Columbia University.	Columbia University
20-24-79-23	Baseline Household Surveys for Employment Opportunities Pilot Projects. This project will obtain labor force and other related information on households at each of 15 Employment Opportunity Pilot Project work sites.	Westat, Inc.
20-55-79-30	Research on the Impacts of the Employment Opportunity Pilot Program. The objective is to develop a comprehensive research design to determine the labor-market impact of the Employment Opportunity Pilot Projects.	University of Wisconsin

Grant/Contract No.	Project	Contractor
20-34-79-24	Employment Opportunity Pilot Projects: Research Design. Objective: to develop a comprehensive research design for the Employment Opportunity Pilot Projects.	Mathematica Policy Research, Inc.
21-11-79-23	A Demonstration Project for Minority Scholars Nationwide: Workshops and Dissertation Research in Quantitative Methods and Interdisciplinary Contributions to Employment and Training Policy. Program will include: (1) programs devoted to the analysis of modern research methods and case studies focussing on employment and training policy issues, and (2) support for doctoral dissertation research of students who have completed all work but the dissertation.	Howard University
20-11-79-05	Utilization of Retired Teachers as a Supplementary Resource. A study to determine the feasibility of using retired teachers to make a significant impact on the solution of educational problems in the District of Columbia through the exercise of their lifetime skills, without undercutting the ambitions or income of younger teachers.	Lawrence H. Mirel
21-55-79-10	Demonstration Project to Test Alternative Employment Patterns for Older Workers in the Wisconsin Civil Service. A project to test and develop a variety of employment options in the Wisconsin Civil Service for persons approaching retirement (age 55) and for those who have already retired but would like to re-enter the workforce in an option other than the 5-day, 40 hour work week.	Wisconsin Dept. of Employment Relations
20-51-79-12	Innovative Approaches to Rural Job Creation Project will examine how CETA training funds are linked in rural areas with economic development projects to generate new self-sustaining employment.	CSR, Inc.
20-34-79-26	Exemplary Veterans' Employment Training Programs. Project will seek to identify and document 10 of the better/more effective local programs serving veterans.	Dynamic Programs, Inc.

Grant/Contract No.	Project	Contractor
20-34-79-39	Development of a Benefit-Cost Methodology for Studying Apprenticeship Programs. This study will develop a methodology by which the costs and benefits of apprenticeship training can be ascertained. Models of the apprenticeship process will be developed and used to produce relevant hypothesis concerning the benefits and costs of training.	Mathematica Policy Research, Inc.
20-36-79-29	State ES Demonstration Project for Placing Minorities in Management and Professional Jobs. A project to test the feasibility of using a community-based organization, namely RTP, Inc. with a State Employment Service in order to increase the placement of minorities in managerial, professional, and technical jobs.	Recruitment Training Programs, Inc.
20-42-79-38	Research on the Food Stamp Workfare Demonstration Project. This project is testing the feasibility of developing public service employment for food stamp recipients to work off the allotment of their food stamps. Ketron is doing an impact and process evaluation and also will look at cost-benefits for both the government and recipients.	Ketron, Inc.
21-20-79-06	Kansas State Employment Security Administration Productivity Incentives. To test the usefulness and effectiveness of experimental employee productivity incentives systems. Monetary incentives will be competitive among local offices but based on individual office performance targets with awards being shared equally among employees.	Kansas State Dept. of Human Resources
21-04-79-29	Project STEP. Development and Testing of an In-school Job Preparation and Information Model for Hispanic American Youth. A pilot project in Tucson to develop and test low-cost classroom instruction "package" for Hispanic youth to enhance job preparation.	The University of Arizona

Grant/Contract No.	Project	Contractor
20-11-79-25	Study of Apprenticeship Programs Covering the Skilled Metal Trades. The objective is to acquire comprehensive and accurate information on the status of apprenticeship programs for metal trades in each industry in which they are employed. The project will examine (1) collective bargaining agreements; (2) which trade skills in different industrial categories are covered; (3) whether programs are active or inactive; and (4) the extent to which Joint Apprenticeship Committees are involved.	International Assoc. of Machinists and Aerospace Trades
21-51-79-16	Women's Apprenticeship: A Study of the Programs Designed to Facilitate Women's Participation in Skilled Trades. Will assess the results of 10 selected programs and specific components of those programs designed to increase women's admission to and retention in apprenticeship.	Institute for Women's Concerns
21-11-79-20	Job Search Assistance and Its Impact on Youth Job Seekers. Will develop a typology of exemplary and representative models of job search and assistance components in CETA, ES, WIN and youth programs. Will be used to report on research findings and to develop a technical assistance manual for program operators.	Urban Institute
20-51-79-20	Preparation of a Booklet to Aid Leaders of Communities Facing Major Layoffs or Plant Shutdowns. A manual of procedures based on experience in various places.	Manpower Education Research Assoc.
20-36-79-01	Technical Support for DOL Task Force on Apprenticeship. Is providing technical support to a Department of Labor Task Force that is making a comprehensive survey of apprenticeship programs in Western European countries and in Japan.	Columbia University

Grant/Contract No.	Project	Contractor
21-06-79-09	Jobs Through Environmental Technology. To develop an environmental improvement program in Oakland, California for low and middle-income neighborhoods. A prototype for a laboratory to test and evaluate resource and energy utilization technologies.	Oakland Citizen's Committee for Urban Renewal
21-36-79-01	Evaluation of Public Service Employment in the Home Care Field. A tandem project with 21-36-79-02 below. State Communities Aid Association will train 275 CETA eligibles as home care aides to serve non-indigents and keep them from more expensive health options. Welfare Research, Inc. will assemble and analyze data on the project.	State Communities Aid Assoc.
21-36-79-02	See immediately above.	Welfare Research, Inc.
20-25-79-16	The Use of Non-Profit Institutions as the Service Deliverers for PSE Expansion and Transition. To document and analyze the use of non-profit agencies as service deliverers for PSE placements and to assess the potential these agencies offer as alternative service deliverers.	Urban Systems Research and Engineering, Inc.
20-06-79-22	Survey of Issues Concerning PSE With State and Local Civil Service Employment Structures. Review issues raised when subsidized PSE programs are operated parallel to the regular work force and when they are integrated with regular civil service work force.	E.H. White and Co.
20-24-75-63	Survey on the Utilization of the Arts and Humanities Under CETA. Document and analyze use of Arts and Humanities projects under various CETA titles.	Morgan Management Systems, Inc.

III. The Labor Market

Grant/Contract No.	Project	Contractor
*20-06-76-51	Survey of Mexican-Americans in Two Selected Areas in the Southwest. Study will collect, analyze, and report on the labor market knowledge and job search behavior of a sample of Mexican-Americans in two Southwest SMSAs. Researchers will determine why certain methods are used and which are most effective.	Juarez & Associates
*20-06-78-07	Study of CETA Plans and Indian Reservation Economic Development. This project will review and analyze the economic plans of 25 Indian reservations for possible integration with CETA plans.	Urban and Rural Systems Associates
*82-39-72-21	The National Longitudinal Survey (NLS). This is the 13th year of funding for the National Longitudinal Surveys of Work Behavior. The purpose is to identify and explore the factors influencing labor force behavior in four population groups in critical transition stages of working life: young men and women aged 14-24 (at time of initiation of surveys); women aged 30-44 who are likely to be returning to the labor force after their last child enters school; and men 45-59 in their pre-retirement years.	Ohio State University
*21-26-77-37	Evaluation of Quality of Work Improvement in the San Diego City Government. An experimental and demonstration study using several techniques to identify and analyze problems that are limiting productivity and worker satisfaction.	University of Michigan
*21-24-77-11	The Development and Evaluation of Four Demonstration Projects Using Management-Labor Committees to Improve the Quality of Working Life. To increase worker involvement and to establish a model State-level center to assist organizations in improving the quality of working life.	Massachusetts Quality of Working Life Center

Grant/Contract No.	Project	Contractor
20-51-79-39	Assessment of Factors Determining the Availability of U.S. Workers for the East Coast Apple Harvest. To explore issues associated with the use and nonuse of domestic and foreign workers in the East Coast apple harvest. What factors are associated with dependency on foreign workers and what factors/techniques enhance the availability and use of U.S. workers for the harvest.	Dr. James Holt
21-55-79-27	Socioeconomic Attainment and Ethnicity: Labor Market Experience of Native and Immigrant Hispanics in the U.S. This study will analyze the functional relationships between demographic characteristics and immigrant status vis-a-vis labor force status and mobility of the Hispanic groups.	University of Wisconsin
21-55-79-05	Overcoming Barriers to the Successful Entry and Retention of Women in Non-traditional Skilled Blue Collar Jobs. To identify and make practical recomendations for overcoming barriers to the employment of women in skilled blue collar jobs. Will study women apprenticed in traditionally male skilled jobs.	Wisconsin Commission for the Status of Women
21-25-79-19	Job Mobility and Job Loss: A Study of the Effects of Unemployment and Underemployment Among Blue Collar Working Women in New England. Will focus primarily on job loss experience in semi-skilled and unskilled occupations in three industries in which women have traditionally been employed: apparel, textile and electronic.	Boston College
21-18-79-21	The Effort to Increase Female Hiring in the Basic Steel Industry: Progress and Prospects. Project will examine primarily the recruitment, training, and assimilation problems that may be associated with efforts to increase the employment of women in the steel industry. Will use data from two steel plants in Indiana.	Purdue University

Grant/Contract No.	Project	Contractor
21-11-79-17	Reference Search on Work-Sharing in the U.S. To provide a directory of the wide variety of worksharing programs now operating in the U.S. combined with selective case studies of the different types of worksharing programs.	National Council for Alternative Work Patterns, Inc.
21-25-79-18	Substandard Working Conditions and Undocumented Alien Labor in the New York City Garment Industry. Project will identify the major factors responsible for the revival of employment in "sweatshops" and homework in New York City garment industry and assess the connection between the expansion of extra-legal work in that industry and undocumented immigration.	Massachusetts Institute of Technology
*42-25-72-10	Improving the Utilization of Health Manpower. Will study the health manpower effects of alternative national health insurance proposals, using econometric input and output analysis. Will get at the demand for 25 different health occupations and also look into the future supply of those occupations.	Northeastern University
20-11-79-11	Socio-Economic Policies and Programs for the Elderly. A paper, prepared in response to a request from the Organization for Economic Cooperation and Development, as the U.S. contribution to a joint project in cooperation with 15 other countries, including Japan and Western European nations.	American Institutes for Research
21-36-79-25	The Post-retirement Work Experience of Non-supervisory Personnel. To study the pattern of work experience of persons below the supervisory level after retirement.	Columbia University

IV. Economic and Social Policies

Grant/Contract No.	Project	Contractor
*81-11-71-09	Conference on Evaluation of Employment and Training Programs. The National Council on Employment Policy (formerly the National Manpower Policy Taskforce) works closely with the government and research community in reviewing current employment and training developments and assessing them in relation to the need for new policies, programs, and research.	National Council on Employment Policy
*21-11-76-09	Employment Policy Program. Supports a Brookings Fellowship program that enables university scholars to study a particular aspect of employment policy in depth during a one-year residency in the Office of Research and Development.	The Brookings Institution

V. Institutional Grants

In February 1974, the Institutional Grants (IG) Program was restructured to assist the Department of Labor in carrying out its responsibilities under the Comprehensive Employment and Training Act of 1973 (CETA). In the past, the program emphasized research and training of researchers. The current thrust reflects needs stemming from the decentralization and local delivery of employment and training programs. Beginning July 1, 1974, 13 grants, planned for a 4-year period, were awarded. In February 1978, universities were invited to submit proposals for new awards. Sixteen schools were awarded grants for the second 4-year period. Following are the schools receiving funds in fiscal 1979, the second year of their awards.

Grant/Contract No.	Institution
*31-25-78-16	Northeastern University, Boston, Mass.
*31-36-78-11	Medgar Evers College, City University of New York, Brooklyn, N.Y.
*31-34-78-03	Rutgers University, New Brunswick, N.J.
*31-51-78-10	Virginia Commonwealth University, Richmond, Va.
*31-01-78-01	The University of Alabama, University, Alabama
*31-43-78-09	Clark College, Atlanta, Georgia
*31-21-78-12	Kentucky State University, Frankfort, Kentucky
*31-26-78-13	The University of Michigan, Ann Arbor, Michigan
*31-22-78-04	Southern University and A&M College, Baton Rouge, Louisiana
*31-48-78-07	The University of Texas, Austin, Texas
*31-48-78-08	The University of Texas, San Antonio, Texas
*31-20-78-14	The University of Kansas, Lawrence, Kansas
*31-49-78-15	Utah State University, Logan, Utah
*31-04-78-05	The University of Arizona, Tucson, Arizona
*31-06-78-06	California State University, Sacramento, California
*31-53-78-02	Seattle University, Seattle, Washington

VI. Youth Projects

Following are a series of R&D programs for youth that received funds in fiscal 1978 and/or 1979 and are managed by the Office of Research and Development for the Office of Youth Programs.

Grant/Contract No.	Project	Contractor
28-37-79-02	Local Knowledge Development Demonstration Program. Seeks to demonstrate the feasibility of utilizing a non-profit intermediary to examine and assess critically the local knowledge development activities of a stratified sample of prime sponsors.	Manpower Development Corporation
*27-34-78-01	The Value of Output of Youth Employment Programs. Overall objectives are: (1) to provide preliminary information on the value of output of a sample of youth employment and work experience projects, and (2) to assess the feasibility and relative desirability of various strategies for valuing the output of youth projects in the future.	Mathematica Policy Research, Inc.
28-37-79-01	Youth Discretionary Project. To provide the Office of Youth Programs with timely documentation and feedback on the implementation of selected knowledge development projects under the Youth Employment and Demonstration Projects Act of 1977 (YEDPA).	Manpower Development Corporation
27-25-79-01	Youth Labor Market Experience Study. Objective is to conduct a special analysis using the existing data base of the National Longitudinal Surveys (NLS) as a means of developing knowledge regarding the (a) pattern and causes of various post-high school work and education choices, and (b) consequences of these choices years after high school graduation.	University Consultants, Inc.
*27-34-78-04	An Evaluation of a School-to-Work Transition Demonstration Project. Overall objectives are: (a) to assess the relative effectiveness of various community-based organizaitons as compared to other delivery agents for providing youth with the career development services and skills necessary for enhancing their success in transition from school to work, and (b) to demonstrate an effective model evaluation system, using appropriate data gathering techniques and evaluation tools and	Educational Testing Service

Grant/Contract No.	Project	Contractor
*27-34-78-04 (continued)	exemplary analytical approaches tailored to the populations served and for varying levels of local, regional, and national project responsibility.	
27-34-79-02	Demonstration of the Efficacy of Alternative Youth Program Approaches. Overall objectives are to (a) explore the feasibility of instituting a systematic set of program and post-program approaches for assisting in-school and out-of-school disadvantaged youth, and (b) assess the utility of establishing uniform program measures as a means of identifying short-term program outcomes which are predictors of long-term program effects, and of ascertaining which program approaches are more effective for varying youth populations and settings.	Educational Testing Service
28-11-79-03	National Survey of Employer Attitudes and Practices Toward Youth. Overall objectives are to (a) determine in a systematic way the perceptions of employers relative to the hiring of economically disadvantaged youth, and (b) compare the findings to a similar survey reported in the Bureau of Labor Statistics Bulletin No. 1657 published in 1970.	National Urban League
21-11-79-20	Job Search Assistance and Its Impact on Youth Job Seekers. The project will include a census of job search training models in CETA, ES, WIN, and Youth Programs and a demonstration in 3 sites of "optimal models" for youth.	The Urban Institute

YOUTH INCENTIVE ENTITLEMENT PROGRAMS. This demonstration provides a part-time job during the school year and a full-time job in the summer months to economically disadvantaged 16-19 year old youths in various geographic areas around the U.S., with the provision that the youth remain in, or return to, regular secondary school, or enroll in qualified alternative schools or GED programs.

Grant/Contract No.	Project	Contractor
*28-25-78-37	Youth Incentive Entitlement Pilot Project	Employment and Economic Administration, City of Boston
*28-36-78-45	YIEP	City of Syracuse, New York
*28-53-78-49	YIEP	King-Snohomish Manpower Consortium, Seattle, Washington
*28-39-78-40	YIEP	City of Cincinatti, Ohio
*28-26-78-38	YIEP	City of Detroit, Michigan
*28-36-78-56	YIEP	City of New York, Department of Employment
*21-39-78-47	YIEP	City of Dayton, Ohio
*28-33-78-52	YIEP	County of Hillsborough, Bedford, New Hampshire
*28-06-78-43	YIEP	City of Berkeley, California
*28-36-78-36	YIEP	Manpower Development Research Corporation
*28-06-78-44	YIEP	Monterey Co. CETA Administration, Salinas, California
*28-35-78-46	YIEP	City of Albuquerque, New Mexico
*28-42-78-51	YIEP	City of Philadelphia, Pennsylvania

Contract/Grant No.	Project	Contractor
*28-36-78-48	Youth Incentive Entitlement Pilot Project	Steuben Co. Manpower Administration, Bath, New York
*28-28-78-39	YIEP	State of Mississippi, Governor's Office of Job Development and Training
*28-24-78-41	YIEP	City of Baltimore, Maryland

Appendix 4

OFFICE OF RESEARCH AND DEVELOPMENT
FISCAL YEAR 1980 WORK AGENDA

Annual research and development plans are developed around a series of goals and objectives set for the Department by the Secretary and the specific areas of research responsibility defined by the Comprehensive Employment and Training Act (CETA). The following agenda of ORD plans for fiscal 1980 contains clusters of potential projects in the areas noted. Overall strategy has been formed by a systematic solicitation of research needs from national and regional office staffs. Ongoing flexibility and a determination of specific project priorities are assured by a process which utilizes special R&D committees consisting of senior program officials, Research Office staff, and Departmental representatives. Meeting regularly, these committees help shape issues and adjust priorities in a continuing and dynamic process able to meet new issues and unanticipated problems as they emerge through a year. It is necessary, likewise, to adjust to the availability of appropriate research, experimental, and demonstration sites, the ability to engage competent contractors, and constraints on money and personnel.

The following agenda outlines the areas and specifies the objectives of R&D planning in fiscal 1980.

I. Program Planning and Administration

Plan of Analysis	Rationale
Unemployment and Inflation (Humphrey-Hawkins). A research strategy (Phase I) will be undertaken to develop the mix of programs best able to fulfill the Humphrey-Hawkins requirements of 4 percent unemployment and 3 percent inflation by 1983.	This research strategy will point the way to accomplishing the requirements of Humphrey-Hawkins.
PSE as a Countercyclical Tool. Research will compare the PSE component of CETA with other fiscal policies (such as tax cuts, revenue sharing, and public works) to see how it ranks in terms of time lags for expansion, multiplier effects, equity, and effects on inflation.	Provide policy and program guidance on use of PSE as a countercyclical tool.
CETA Programs and Most Severely Disadvantaged. Research will determine whether CETA should be limited to severely disadvantaged or opened to a wider population. Research will involve either using existing CLMS data or operating demonstration projects.	Will provide information on potential tradeoffs in targetting decisions.

Plan of Analysis	Rationale
Female Heads of Households. Research is planned on how female heads of households will grow in numbers relative to other groups in the population and which employment and training programs should be developed for this group. (NOTE: Because ORD is already involved in an intensive training of females project as part of major demonstration on displaced homemakers by the Women's Bureau, the above project will be deferred until fiscal year 1981.)	Will point the way for future employment and training programs for this group.
UI and The Unemployment Rate. Research planned will examine such aspects of UI as ineligibles, work test enforcement, and other administrative activities to determine how UI program administration can be modified to reduce the unemployment rate.	Strengthen administrative efficiency of the UI system.
CETA Research and Development. R&D will address high priority policy and program issues as determined by the CETA Committee. Focus will be on developing information, techniques and approaches needed to improve the administration and delivery of services authorized under CETA. Specific projects will be determined in collaboration with the RD&E Committee.	
USES. Priority policy and program issues will be identified during the year by the ES RD&E Committee. Major areas of concern are: improving the effectiveness of ES operations; improving management information; in forming policy and legislative decisions. Specific projects will be developed in collaboration with the ES RD&E Committee.	

II. Programs and Techniques

Plan of Analysis	Rationale
Public Assistance Recipients; Minnesota Work Equity Project-Research Component Phaseout. Project is testing feasibility and effectiveness of providing jobs and training to all persons on welfare (AFDC, OA, and Food Stamps). Services are provided through new integrated administrative structure involving colocation of CETA-ES-WIN-Welfare staff.	Project is major test of Administration's welfare reform proposal (jobs component) and is prototype for 15 other employment opportunity pilot projects.
Employer Surveys for Employment Opportunity Pilot Projects. Project will survey employers at selected project sites and comparison sites to provide data for analysis of project impacts on labor demand, particularly in low-paying jobs with which PSE jobs might compete.	Project findings will permit more reliable estimates on a controversial welfare reform issue.
Client Tracking and MIS for Employment Opportunity Pilot Projects. Project will develop, install, maintain, and coordinate a uniform client tracking system for the 15 pilot projects, to be used for monitoring at local, regional, and national level, and to provide part of data base for research contractors.	System will be invaluable in providing up-to-date information on pilot project operations; to be used in Congressional hearings on welfare reform legislation and will provide partial data base for longer-term research analysis.
Middle Aged and Older Workers. Research areas under consideration include: alternate work arrangements; employment needs of all retirees, particularly black retirees; employment discrimination; job creation; average age of retirement; employment and retirement practices of older workers in foreign countries; second careers; older workers as trainers of the young unemployed; tapered retirement; skills, characteristics, and employment of middle-aged and older workers; retired teachers as a supplemental education resource; career transition in midlife.	Permits development of pilot programs and policy and legislative recommendations.
Supported Work. Project is designed to increase the employability of special target groups (youth, ex-offenders, ex-addicts, and AFDC mothers) who because of their past work histories are unable to secure and maintain employment in the regular labor market.	Development of an additional manpower tool (including costs and benefits) to reach those groups which are not currently being served in the regular CETA system.

Plan of Analysis	Rationale
Offenders. Continuing its incremental approach to offender research, ORD will examine such areas as further supportive services and "gate money" as deterrents to recidivism; community service as an alternative to incarceration for juveniles; and the feasibility of developing a census of ex-offenders, their employment and unemployment experience.	Response to the legislated responsibility to conduct research on employment problems of ex-offenders.
Artificial Barriers to Employment. Assesses the feasibility of establishing regional CETA LAB's to perform R&D on artificial barriers as determined by the CETA RD&E Committee.	Response to the legislative responsibility to identify and correct inequities in the labor force utilization of minorities, women, the handicapped, and released prisoners.
Job Sharing and Flexible Hours. Extend and expand project JOIN, the Wisconsin Dept. of Administration's demonstration in jobsharing. The focus of this expansion will be on older workers and increased variety of alternative work options.	Response to legislative responsibility to reasearch alternative work arrangements.
Special Target Groups. A series of projects will be designed to examine the special employment and training problems of Native Americans, veterans, women, the handicapped, youth and economically disadvantaged groups. The projects will focus on barriers to employment assuring equal access to quality jobs, vertical mobility, and improving opportunities for employment and training in general for these groups.	
Serving Teenage AFDC Recipients. The project would use community based organizations to contact teenage welfare recipients, encourage use of neighborhood childcare and health care facilities, and enroll them in a return to school or General Education Development program (GED).	Would reduce the likelihood of longterm welfare dependence.

Plan of Analysis	Rationale
Expansion of Quality Training for Welfare Women. Pilot project in quality job training would be expanded to four new cities to: 1) increase the numbers for statistical test validity; and 2) increase the number of schools and occupations to test a broader range of quality training experience.	Would aid minority female heads of households in moving into the primary labor market; potentially high welfare savings.
Food Stamp Workfare Demonstration-Research Evaluation Component. Project is testing the feasibility of having food stamp recipients work off the value of their food stamps. Process and impact evaluation component planned for fiscal year 1980.	Project findings useful in development or modifications of legislation.
Job Search and Relocation Assistance Transition. Efforts being made to keep project active pending decisions on institutionalization in USES.	
Apprenticeship. Priority policy and program issues will be identified by the BAT RD&E Committee. Among the major areas of concern are: expanding apprenticeship into growing industries and occupations formerly using other training systems; improving the quality of existing apprenticeship programs; facilitating access to apprenticeship for groups traditionally underrepresented in the system; and improving or forging linkages between apprenticeship and other employment and training systems. Specific projects will be selected in cooperation with the BAT RD&E Committee.	
LMI and Job Search Skills. This demonstration will provide labor market knowledge to high school students to prepare them for successful labor market entry. Follow up will be conducted to assess program impact.	Reduce unemployment rates among youth.

Plan of Analysis	Rationale
Agricultural Hiring Systems. To combat simultaneous labor "shortages" and "surpluses" this study will examine the frequency and usefulness of private arrangements, labor contractors, union hiring halls, employer associations and public matching efforts.	Improve employment situation of farmworkers.
Multiple Job Holding in Rural Areas. Census of Agriculture data will be used to examine extent and nature of multiple job holding by rural workers to suggest expansion of such arrangements.	Improve earnings capacity of rural low-wage workers.

III. The Labor Market

Plan of Analysis	Rationale
Labor Market Impacts of Employment Opportunity Pilot Projects. Project will analyze labor market impacts of the pilot projects, utilizing data from household surveys, employer surveys, client surveys, and secondary data.	Findings will provide more reliable estimates on the welfare reform issue.
Household Surveys for Employment Opportunity Pilot Projects. This will be second wave of household surveys at the 15 pilot project sites plus approximately 10 comparison sites, to permit estimates of the preparation of eligible low-income persons participating, impact on labor supply among low-income persons, and impact on labor market as a whole.	Findings will provide more reliable estimates of the impact of the Administration's welfare reform proposal.
Basic Research on Employment Opportunity Pilot Projects. Project includes (a) process evaluation of pilot projects, to document and analyze delivery systems at 15 sites as models for national implementation, (b) impact evaluation to determine impact of projects on participants, and (c) verification of microsimulation model estimates of nationwide demand for jobs and training under Administration's welfare reform proposal.	Findings are expected to facilitate implementation of welfare reform legislation.
Labor Market Policy Issues. Major areas of concern are: the financial, administrative and programmatic consequences of use of multiple work tests (food stamps, UI, AFDC, etc.) versus a single unified work test; administration of ETA programs on the basis of political jurisdictions versus labor market areas; and implementation of ETA programs via the dual SESA/CETA system versus unified European systems. Development of a manpower planning handbook to assist the governments of developing countries is also planned.	
Characteristics of Part Time Workers. Analysis of data on part time workers including reason for choice of part time, work history, productivity and job satisfaction.	To predict potential effect of increasing part time opportunities on labor supply.

Plan of Analysis	Rationale
Temporary Help Supply Service Industry. Profile and analysis of temporary help supply service industry in California including industry size, growth and location. Determination of the industry's labor market impact on ES, private employment agency industry and industrial unions. Will elucidate changes in traditional labor market entry/job search patterns.	Recommendations for action to improve ES placement; potential suggested regulatory legislation.
Impact of Higher Energy Prices on Employment. Will assess impact on employment and labor demand of substitution effects of higher energy prices. Analysis of industry trends in employment to develop information on labor demand by occupation and skill categories.	To guide the department in policy formulation.
National Longitudinal Surveys (original cohorts). Fourteenth year of the NLS surveys of four cohorts at critical stages in worklife: youth entering, women re-entering, men in preretirement and retirement.	Uniquely important data source, permitting thorough analysis of economic, social and psychological factors affecting employment for major population cohorts.
National Longitudinal Surveys (new youth cohorts). Second year of surveys of NLS new cohort of 13,000 youth, ages 14-21, oversampled for blacks, Hispanics and poor white youth, including 1,300 in the military.	Explore differences in youth labor market experiences and compare experiences of new youth cohort with that of the sixties.
Synthesis/Policy Analysis of U.S. Productivity Experience. Study will be a comprehensive synthesis/policy analysis of the state of knowledge in the area of productivity.	Provide policy makers with tools for planning strategy in the productivity area and to point out areas of research need.
Inter-project Comparison of Six QWL Projects. The University of Michigan has collected identical data on the six QWL projects thay have managed. Each is a single case study. A comparison would provide understanding and perspective beyond the individual studies.	Improved understanding of factors contributing to success and failure of QWL projects.

Plan of Analysis	Rationale
Health Service Industry Manpower Projections. Study of Health Manpower issues. A major focus is the supply/demand implications of alternative proposals for national health insurance.	Will illuminate the national debate on universal health insurance in terms of cost, skill shortages and training needs.

IV. Economic and Social Policies

Plan of Analysis	Rationale
Local Private Economic Development and CETA. Research PSIP to test the extent to which relaxation of eligibility requirements is necessary for CETA to increase its role in local economic development and replacement of declining industries. Coordinate research with HUD and ETA programs.	Response to legislative responsibility to contribute to local economic development.
Food Stamps: Barrier to Work? The project would examine the assumption that food stamp recipients have the lowest labor force participation and determine if and why food stamps may be a deterrent to employment.	Findings would be useful in development of policy, programs, and legislation.
Jobs Offering Earnings Mobility to the Poor. This study will assess the occupations/industries in the NLS and Michigan Panel Survey which allowed workers to move over the poverty line. It will assess percentage of workers below poverty line jobs and probability of moving over the line.	Provide policy makers with knowledge of which occupations/industries provide stepping stones out of poverty.
Study of 1980 Legal Immigrants and Their Employers. Participants in projected WIN Longitudinal Survey of 4,000-5,000 legal immigrants entering the U.S. in fiscal year 1980. Five-year survey of labor market experience, health, education, training and incidence of permanent return to country of origin.	Provide an information base for national immigration policy.

V. Other

Plan of Analysis	Rationale
Institutional Grants. This is the fourth round of the IG Program for developing a nationwide university based system to professionalize employment and training personnel. A major aim is to stimulate full participation of minority institutions in developing manpower education programs.	To strengthen the effectiveness of the employment and training delivery system.
National Institute of Public Management. Continuation of assistance to Institutional Grant schools in the form of a monthly newsletter, conference, and clearinghouse.	Assist and support the Institutional Grant schools in information exchange, technical assistance, etc.
President's Report. Preparation of substantive chapters; editing and processing manuscripts (graphics included) for publication.	Annual report required under CETA.
Doctoral Dissertation Program. Will provide support of about 50 doctoral dissertations related to employment and training.	Provide cadre of expert manpower researchers.
Brookings Associates. Demonstration to expose outstanding scholars to the federal process of policy and program development and research.	Enrich academics grasp of Federal operations and contribute to DOL policy and program development.
Human Resources Trainees. Will provide 12-month traineeships to a few employment and training program staff members with limited experience in E&T policy areas. Trainees will work with senior research staff of Columbia University's Conservation of Human Resources program.	Aid minorities in gaining skills in designing, implementing and preparing research reports on specific employment and training policy issues.

Appendix 5

ETA EVALUATION REPORTS COMPLETED IN FISCAL YEARS 1978 AND 1979

The Office of Program Evaluation

1. Continuous Longitudinal Manpower Survey Reports

Policy/Program Area and Report Title	Contractor
Report No. 7: Characteristics of Enrollees Who Entered CETA Programs in July 1976 through March 1977. Presents data on demographic characteristics and pre-entry employment and earnings of a national sample of CETA enrollees, for each major type of CETA program activity, who entered in the first three quarters of fiscal year 1977. Appendix tables revise data on fiscal year 1976 enrollees.	Westat, Inc.
Report No. 8: Characteristics of Enrollees Who Entered CETA Programs During Fiscal Year 1977. (October 1976 through September 1977) Presents such baseline data for enrollees who entered CETA programs in all of fiscal year 1977.	
Follow-Up Report No. 1: (18 months after entry) Post-Program Experience and Pre-Post Comparisons for Terminees Who Entered CETA in January-June 1975. Presents data on these terminees initial months and first year of post-program employment and earnings and how they compare with preprogram employment and earnings.	
Follow-Up Report No. 2: (18 months after entry) Post-Program Experiences and Pre-Post Comparisons for Terminees Who Entered CETA During Fiscal Year 1976 (July 1975 - June 1976). Presents pre-post data, as noted above for earlier report, for terminees from the fiscal year 1976 enrollment cohort.	

2. Evaluation of Selected YEDPA Programs

Policy/Program Area and Report Title	Contractor
Report No. 1: Initial Youth Employment and Demonstration Project Act (YEDPA); Experience at the Local Level (February 1978). Reviews the planning and start-up phase (before actual enrollments were underway) of the implementation of the Youth Community Conservation Improvement Projects (YCCIP) and Youth Employment and Training Program (YETP) components of the Youth Employment and Demonstration Projects Act (YEDPA). The study is based on the observations of 10 local observers of 35 CETA sponsors, during the period October 1977 - January 1978.	National Council on Employment Policy
Report No. 2: The Unfolding Youth Initiatives - Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act (YEDPA) (August 1978). Continues the studies by 10 local observers during the period between January and May 1978, when actual enrollments in YCCIP and YETP had gotten underway. Some tentative conclusions are drawn about DOL and prime sponsor effectiveness in implementing the programs, and also suggests some measures that might be pursued to improve program performance.	
Report No. 3: Local Focus on Youth-Prime Sponsor Experience in Implementing the Youth Employment and Demonstration Projects Act (YEDPA) (March 1979). Carried forward the studies from late fall 1978, focusing on linkages with local education agencies, targeting, tie-in with summer youth programs, and problems on performance in light of uncertainties and changes in funding.	
Involving Schools in Employment and Training Programs for Youth (May 1979). Reviews the progress made by prime sponsors and local educational agencies (LEAs) in linking local manpower programming for youth to the local systems of public ecucation. Data for analysis were obtained from the first three YEDPA reports (see above) and from interviews and "mini-case studies" in late 1978 with educational organizations.	

3. Evaluation of the Skill Training Improvement Program (STIP)

Policy/Program Area and Report Title		Contractor
Report on Start-Up (March, 1979)	Reviews the early experience of the STIP I demonstration projects, based on the plans of all 141 CETA sponsors conducting such projects, telephone contacts with 72 on initial progress and changes from plans, and field examination in detail of 5 sponsors.	Abt Associates, Inc.
Report on Implementation (Sept. 1979)	Reports in detail, from field observations of 15 STIP sponsors, on the design and functioning of the specific STIP projects, the nature of private sector participation, performance of the projects, and types of effects on other CETA activities.	

4. Implementation of HIRE II

First Phase Report (November 1978)	Based on a field study of 15 CETA sponsors, evaluates the start-up phase of HIRE II under which CETA sponsors received extra funds in mid-1978 to develop private employer on-the-job (OJT) training for veterans.	Ohio State University Research Foundation
Final Report (July 1979)	Reports on program performance both nationally and at the local level, the factors affecting performance, and the implications of the experience under HIRE II for planning future nationally-stimulated local CETA programs for special target groups.	

5. Cost Analysis of CETA Decentralized Programs

Presents estimates of CETA expenditures on selected activities in fiscal year 1976, based on data gathered from field visits to 49 prime sponsors, and statistical analysis of such estimates.	Macro Systems, Inc.

6. Public Service Employment

Policy/Program Area and Report Title	Contractor
1. Monitoring the Public Service Employment Program: Preliminary Report (March 1978). Based on local analysts' study of 32 sponsors as of mid-1977, this evaluation analyzes the net employment creation vs. displacement effects of PSE. It estimated that 80-82 percent of the PSE jobs were additional jobs and 18-20 percent were displacement or substitution (Federal funds used to substitute for local funds which would have financed those jobs).	Brookings Institution
2. Monitoring the Public Service Employment Program: The Second Round (March 1979). Similar study as of December 1977 confirmed and elaborated on earlier findings. Estimates that 85 percent of PSE jobs were a net employment increase and only some 15 percent represented substitution.	Brookings Institution
3. Expanding Public Service Employment Under CETA: Preliminary Assessment (July 1978). Based largely on field observations of a sample of 28 CETA sponsors, the report focuses on the buildup in 1977 of the PSE expansion under the 1977-78 "economic stimulus program." Finds that the rapid expansion was accomplished effectively, but that speed took a toll in caliber of PSE projects and selection of participants.	National Academy of Sciences
4. CETA: Assessment of Public Service Employment Program (1979): Final report of study noted above. Concludes that CETA system responded effectively to demand for rapid, large-scale PSE expansion, although emphasis on new enrollments in 1977-78 involved some sacrifice of other objectives.	National Academy of Sciences
5. The Transition From Public Service Employment to Unsubsidized Jobs in the Private Sector. Based on a field study of 8 Texas CETA prime sponsors, reports on problems of efforts to transition PSE enrollees to unsubsidized jobs.	University of Texas at Austin

7. Private Sector Initiative Program

Policy/Program Area and Report Title		Contractor
Report No. 1 (May 1979)	A Formative Evaluation of the Private Sector Initiative Program. Based on field evaluation of a sample of 25 CETA sponsors during the period from February to May 1979, prior to the provision of PSIP program funding by Congress. This initial report focuses on local views on the likely importance of PSIP, variations and issues on the role of the Private Industry Councils, and preparatory activities before initial funding was received.	Ohio State University Research Foundation

8. CETA National Programs

1. Evaluation of the Economic Impact of the Job Corps Program — Mathematica Policy Research, Inc.

An Examination of Job Corps Participation (June 1978). An early product of the evaluation of the Job Corps, this report describes, from data collected from a sample of 5,100 Job Corps participants interviewed in mid-1977, who is enrolled, why they enroll, where and what they knew of the Job Corps before enrolling, and how they rate the program while still enrolled.

First Follow-Up Report (December 1978). Compares the experience of Job Corps participants shortly after leaving the program in 1977 with a comparable disadvantaged group not enrolled in Job Corps. Finds a net gain for participants of 12 percent in earnings 7 months after termination (and much greater gains for completers), plus gains on other measures, and a positive cost-benefits ratio.

2. Effects of Selected Manpower Services on Migrants and Seasonal Farmworkers — Kirschner Associates, Inc.

Based on interviews in 1975 and interviews in 1978 of a sample of 2,100 participants in a sample of 15 CETA Section 303 projects for seasonal farmworkers. Efforts to develop comparison group found that this was not feasible. Major findings were that most participants were helped to move into nonfarmwork and gained more stable employment than before, substantially higher weekly earnings, and a sizable decline in unemployment.

9. Employment Service

Policy/Program Area and Report Title	Contractor
A Pilot Evaluation of the United States Employment Service. Developed a methodology for evaluating the impact of the Employment Service's Labor exchange activities on users. Findings of a pilot study in four local ES offices were that applicants receiving job referrals received jobs sooner and earned more over the six months after coming to the ES than their counterparts who did not receive job referrals.	SRI International

10. Work Incentive Program (WIN)

1. Special Surveys on Sponsors of Work Incentive (WIN) Programs — Kirschner Associates, Inc.

WIN Public Service Employment. Presents data on 1975-76 enrollees in the Public Service Employment (PSE) component of the Work Incentive (WIN) Program collected from a mail survey of local WIN and Welfare offices to supplement the WIN reporting system. Data collected were on characteristics of enrollees, nature and duration of their PSE assignment, and post-program employment experience.

WIN Clients in Suspense. Presents data from a mail survey on employment and training services 33,500 WIN registrants received in fiscal year 1976 while "in suspense' (assigned to non-WIN programs) to supplement the WIN reporting system.

WIN Clients Deregistered For Other Reasons. Presents data from a mail survey on 330,000 participants who were deregistered from the Work Incentive (WIN) program in fiscal year 1976 because they left the Aid to Families With Dependent Children Program (AFDC) for "other reasons than the ones customarily reported to the national WIN office."

An Assessment of the Feasibility of Mail Surveys. Based on the three sample mail surveys of local records to supplement information in the national files.

Policy/Program Area and Report Title	Contractor
2. WIN II Program Evaluation - Data Tapes and Documentation Guide for the Public Use Data Base Presents information on WIN program experience, welfare histories and employment information for a sample of WIN participants and registrants collected during a longitudinal evaluation of the WIN program (The Impact of WIN II: A Longitudinal Evaluation - September 1976).	Ketron, Inc.
11. Other	
1. Evaluation of Suffolk County Coordinated Manpower Program - Suffolk County, N.Y. Evaluates a demonstration program in which the Work Incentive (WIN) Program was transferred from the Employment Service (ES) to the Comprehensive Employment and Training Act (CETA) prime sponsor and other functions were realigned to minimize duplication of services between the ES and CETA sponsor.	Dialogue Systems, Inc.
Evaluation of CETA/SESA Linkage Demonstration Projects. Reports on the experience of 9 Comprehensive Employment and Training Act/State Employment Security Agencies (CETA/SESA) "linkage demonstration" projects funded by the Department of Labor to encourage development of CETA sponsor - Employment Service agency cooperative efforts on selected activities.	Impact, Inc.
Evaluation of Multi-Trade (Community Wide) Apprenticeship Program. Report on the pilot 10-city project in 1977-78 to promote and expand apprenticeship in various occupations and trades at the community level.	Sam Harris Associates, Ltd.

Appendix 6

ETA EVALUATION PROJECTS IN PROGRESS AT END OF FISCAL 1979
Office of Program Evaluation

Policy/Program Area and Project Title	Contractor and Contract No.
CETA Decentralized Programs	
1. Continuous Longitudinal Manpower Survey (CLMS) "Regular" Sample	Census Bureau (data collection) A 23-11-75-01) Westat, Inc. (technical support, data processing analysis and reports) (23-24-75-07)
2. CLMS: Sample for YCCIP and YETP under YEDPA	Census Bureau (data collection) A 23-11-75-01 Westat, Inc. (technical support, data processing analysis and reports) (23-24-75-07)
3. Evaluation of Selected Programs Under YEDPA	National Council on Employment Policy (23-11-77-06)
4. Analysis of Continuous Longitudinal Manpower Survey Data for CETA Evaluation	College of William and Mary (24-51-79-02)
Public Service Employment	
1. Assessment of CETA PSE Programs	National Academy of Sciences (23-11-77-05)

Policy/Program Area and Project Title	Contractor and Contract No.
Public Service Employment (Con't.)	
2. PSE Substitution and Net Employment Creation	Princeton University (23-24-79-03)
Private Sector Initiative Program (PSIP)	
1. Formative Evaluation of the Private Sector Initiative Program	Ohio State University Research Foundation (24-39-79-01)
CETA National Programs	
1. Evaluation of HIRE Program	Arthur Young & Company (23-11-79-02)
2. Evaluation of Economic Impact of the Job Corps Program	Mathematica Policy Research (23-34-76-06)
Employment Service	
1. Impact of ES Labor Exchange Activities on Users	SRI International (23-06-79-04)
2. ESARS Validation Study	Abt Associates, Inc. (23-24-78-01)
3. Management Review of ES Services to Veterans	Birch & Davis Associates, Inc.
4. Evaluation of ES Job Services Improvement Program (JSIP)	Juarez & Associates, Inc. (23-06-79-05)
5. Evaluation of Counseling in USES	SRI International (23-06-78-06)

Policy/Program Area and Project Title	Contractor and Contract No.
6. Evaluation of ES Employer Relation Activities	Ketron, Inc. (23-42-78-05)
7. Evaluation of ES Job Information Services	Juarez & Associates, Inc. (23-06-78-11)
Work Incentive Program (WIN)	
1. The Longer Term Impact of WIN II: A Longitudinal Evaluation of the Employment Experiences of Participants in the Work Incentive (WIN) Program	Ketron, Inc. (53-42-77-02)
2. Special Mail Surveys of WIN Programs	Kirschner Associates, Inc. (53-11-76-01)
3. Evaluation of WIN Total Registrant Involvement Projects (TRIP)	Osoro & Associates (53-08-79-01)
Other	
1. Case Studies of the Impact of Federal Grants in Large Cities	The Brookings Institution (23-11-77-03)
2. Development of CETA Sponsor Capability for Followup Evaluation	ETA Region I (Boston) (B 23-25-78-08)
3. Assessment and Promotion of CETA Prime Sponsor Self-Evaluation	MDC, Inc. (24-37-78-02)
4. Evaluation of Defense Manpower Policy 4-A (funded through General Services Administration)	Kappa Systems, Inc. FPA 78-34)
5. Evaluation of National Apprenticeship Promotion Program	Kirschner Associates, Inc. (23-11-78-04)

Appendix 7

RESEARCH AND EVALUATION PROJECTS COMPLETED DURING FISCAL YEARS 1978 AND 1979 1/

The Office of the Assistant Secretary for Policy, Evaluation, and Research

Grant/Contract No.	Project	Contractor
J9M6-0009	Estimation of the Fiscal Substitution Effects of Funds Allocated Under CETA. 2/ Estimates the net effect of Federal employment and training subsidies on the levels of employment in State and local prime sponsors.	University of Michigan/ G. Johnson
J9M7-0154	The Implications for Fiscal Substitution and Occupational Displacement Under an Expanded CETA Title VI. 2/ Updates the estimates of fiscal substitution behavior of State and local government units that receive CETA funds and the effects of PSE programs on employment and wage patterns. The contractor uses 1977 data and simulated the fiscal impact of PSE for fiscal year 1978.	Urban Institute/A. Fechter and L. Bassi
J9M7-0062	A procedure for Evaluating Alternative Income Distribution Programs. 2/ Constructs a procedure for estimating the distributional gain per dollar of income transfer from three alternative programs: a negative income tax, public employment and the minimum wage. The procedure utilizes aggregate benefit functions with estimates from the Panel Study of Income Dynamics (PSID) data.	Institute for Public Policy Studies, University of Michigan/E. Gramlich and M. Wolkoff
J9M7-0035	Economic Analyses of the Effects of Training Under the Manpower Development and Training Act. 2/ Develops and applies econometric techniques for analyzing the effect of training under four Federally funded programs on employment and earnings of participants.	N. Kiefer/University of Chicago

1/ Includes projects in the following areas, focusing on those with a contract in amount of $10,000 or more: Employment and Training, Unemployment Insurance, Employment Service, Welfare Reform, and Other.

2/ More detailed summary in narrative section.

Grant/Contract No.	Project	Contractor
B9M8-4789	Person and Organizational Characteristics and CETA Program Effectiveness. 1/ Review of the literature on CETA organizational research and development of a set of research issues at the interorganizational, organizational, inter- and intra-group, and individual levels of analysis with respect to their impact on CETA effectiveness.	P. Dachler/University of Maryland
B9M9-3204	Employer Practices Which Create Artificial Barriers for Offenders As Defined in 1978 CETA. 1/ Review of the literature and synthesis of knowledge on employers, State and local governing bodies, legislation, and licensing related to the hiring, promotion, dismissal, and employment practices unrelated to the qualifications of ex-offenders.	N. Miller
J9M6-0103	An Empirical Analysis of the Unemployment Insurance Tax, Tax Base, and Labor Turnover Rates. 1/ An empirical investigation of the theoretical predictions concerning UI taxes and rates of labor turnover using cross-section and time-series industry samples.	Public Research Institute of the Center for Naval Analyses/F. Brechling and C. Jehn
J9M6-0098	Econometric Analyses of the Distribution of UI Benefits and Costs. 1/ Econometric estimates of the 1970 distribution of UI benefits and costs by income class and within region and the sensitivity of this distribution to changes in UI program parameters.	R. Ehrenberg/Cornell University
J9M6-0182	A Transactional Approach to Implicit Labor Contracts, Sticky Wages, and The Implications for the Unemployment Insurance System. 1/ Review of the literature on implicit labor contracts with fixed money wages. Evaluates the UI system in terms of devices to minimize transaction costs.	R. Thaler and D. Mayers/ University of Rochester
J9M7-0020	Documentation of the Public Use Versions of the Continuous Wage and Benefit History Tapes for Arizona and Pennsylvania. 1/ Provides detailed documentation (code books) for the Arizona CWBH and SSA Longitudinal Employee-Employer Files and the Pennsylvania CWBH file.	Public Research Institute of the Center for Naval Analyses/L. Jacobsen

1/ More detailed summary in narrative section.

Grant/Contract No.	Project	Contractor
J9M7-0119	The Quality of Employment Survey. 1/ Monitoring study begun in 1969, and repeated in 1972. Data collected on two cross-sections of the adult labor force, including frequency and severity of work-related problems, and the impact of conditions on well-being, motivation, and job satisfaction.	S. Seashore/University of Michigan
J9M9-0042	Adverse Effects of Clean Air Act and Similar Legislation on Labor. 1/ Assessment of environmental legislation in terms of how an induced drop in labor demand affects employment and earnings.	Center for Naval Analyses/ L. Jacobsen
J9M6-0174	A Review of the Evidence on the Impact of Government Anti-Discrimination and Transfer Programs on the Labor Market Status of Black Americans. 1/ Review of the literature and analysis of the evidence on the impact of government programs on the status of Black Americans.	R. Butler and J. Heckman/ NORC, University of Chicago
J9M8-0015	Economic Stimulus Conference. Gathered together a distinguished group of economists to evaluate the adequacy of the existing government agency evaluation plans for the 1977 Stimulus Package.	Brookings Institution
J9M8-0054	BPEA Special Conference on Innovative Policies to Slow Inflation. Assessed various aspects of proposed innovative policies to slow inflation including tax-based incomes policies as well as other Federal Government actions which could directly reduce the rate of inflation. The conference centered its attention on the development of policies which do not operate through the reduction of real incomes.	Brookings Institution
J9K8-0014	Estimating the Effect of a Global Stimulation Program on U.S. Export Sales. Summarized current proposals of a global stimulus program and estimated aggregate and industry specific U.S. export sales due to such a program. Inflationary impacts were also discussed.	TASC
J9M9-0042	Earnings Loss Due to Displacement. Estimated the costs to workers of job loss, focusing on the variation in earnings losses across industries.	CNA/Lou Jacobson

1/ More detailed summary in narrative section.

Appendix 8

ACTIVE RESEARCH AND EVALUATION PROJECTS (AS OF OCTOBER 1, 1979)

The Office of the Assistant Secretary for
Policy, Evaluation, and Research

Grant/Contract No.	Project	Contractor
J9M9-0141	Documentation of Selected CETA Prime Sponsor Management Information Systems. 1/ Provides complete documentation of 9 CETA Sponsor MIS's, including operating information, costs, maintenance problems, and other factors which may affect the exportability of each system.	Analytic Systems, Inc.
B9M9-4858	Evaluation of Data Systems for Unemployment Insurance, CETA, and Other Labor Market Programs. 1/ Study examines the expected uses and the coverage of each data system and explores its overlap and complementarity with other systems. It evaluates each system's capacity to answer operational and policy questions and recommends changes in each.	A. Maurizi
J9M8-0143	Analysis and Correction of Nonreporting in Household Surveys. 1/ Develops and tests a general methodology for analyzing nonreporting of transfer program (UI) income in the Current Population Survey. The demographic characteristics of nonreporting are analyzed and the feasibility of using the model to correct for nonreporting is examined.	R. Hutchens/Cornell University
J9M8-0130	Labor Turnover and the UI Tax. 1/ An extension of earlier work which studies the effects of UI on labor turnover, including an enlargement of the data base to incorporate all data available after 1969, and testing of additional theoretical predictions.	Public Research Institute, CNA/F. Brechling

1/ More detailed summary in narrative section.

Grant/Contractor No.	Project	Contractor
J9M8-0179	Examination of State UI Replacement Rates. 1/ Produces a set preliminary cost and caseload estimates for several UI reform options based on alternative computer modules developed. Using a net income adjustment model and the Survey of Income and Education data, aged to 1981, replacement rates estimated by State under different State UI programs, welfare systems and tax rates.	Urban Institute/ W. Vroman
J9M9-0184	Worker Participation and Influence in the Workplace. 1/ Analysis and interpretation of data on worker participation in decision-making generated by the 1977 Quality of Employment Survey (QES). Workers' desire for participation in workplace decisions, the kinds and degrees of participation now existing in American industry, and behavioral correlates of participating experiences will be examined.	University of Michigan/ S. Seashore
J9M9-0124	The Quality of Worklife of Teachers. 1/ Generation of theoretically-based policy information concerning the quality of worklife of teachers using Quality of Employment Survey (QES) data.	University of Michigan/ Kornbluh
J9E8-0108	An Initial Test of a General Model of Intra- and Inter-Firm Job Mobility. 1/ Prospective data from the 1973 QES will be used to predict subsequent turnover in the 1977 QES, examining all types of job mobility, voluntary and involuntary, inter- and intra-firm.	University of Massachusetts, Center for Survey Research/ Mangione
JM9M7-0151	The Effects of Increased Payroll Taxes and Investment Tax Credits on the Demands for and Relative Prices of Labor and Capital. 1/ Examines the effect of payroll tax policy on employment, economic growth, prices, and wages. It develops econometric factor demand and supply equations, which can directly take account of changes in capital subsidies and labor taxes.	CNA/Frank Brechling

1/ More detailed summary in narrative section.

Grant/Contract No.	Project	Contractor
J9M8-0129	Joint DOL/DOE Project to Improve Employment/Energy Economic Analysis. 1/ Improves forecasting capabilities with respect to potential energy scenarios or policies. Through augmentation of the BLS economic growth model.	CONSAD
J9M9-0220	Labor Market Tightness - The Demand Side. 1/ Analyzes the accuracy of past and ongoing job vacancy surveys and investigates the relationship between vacancies and aggregate labor market tightness.	James Medoff
J9M9-0152	Cross-Section vs. Time-Series Effects of Local Labor Market Conditions. 1/ Explores the effects of local labor market conditions on wages and employment using cross-section and time-series data.	Rand Corp./ L. Lilliard
J9M9-0055	The Dynamics of Unemployment. 1/ Analyses spells of employment and unemployment, individual transition decisions, and the impact of alternative labor market policies, using CPS data.	NBER/K. Clark and L. Summers

1/ More detailed summary in narrative section.

Appendix 9

REPORT ON OPTIONAL LEVELS OF ADDITIONAL EVALUATION EFFORTS AND USE OF CONTRACTORS TO CONDUCT EVALUATION STUDIES

Office of Program Evaluation

The Senate Appropriations Committee report on Department of Labor appropriations for 1980 1/ directed the Department to submit an evaluation plan, "including optional levels of funding for additional evaluation efforts." The report also admonished the Department to "use-in-house resources to the fullest extent possible and to include in this evaluation plan a specific justification for each proposed use of consultant services." For purposes of this report, the Department construes "consultant services" as meaning the use of other than employees of the Department to carry out evaluation activities.

The full plan on major themes for evaluation, as required under Section 313(d) of CETA, is presented as chapter 2 in this overall RD&E report to the Congress. This appendix to that plan responds specifically to the Appropriations Committee's request for optional levels of evaluation efforts and for justification for use of consultants.

Options for Additional Evaluation Efforts

The Department's plan for employment and training program evaluation sets forth the broad program areas to be focused on and several major "hypotheses" to be given principal attention.

The choice of these emphases, and the specific types of efforts being conducted, have been guided by several interrelated key considerations. Briefly: One is the need to concentrate on the major programs. A second is to recognize that most of the programs are complex, variable, and largely decentralized, so that specific effort is often necessary to determine how they actually function. Third, since attempts

---

1/ "Departments of Labor and Health, Education, and Welfare, and Related Agencies Appropriation Bill, 1980" Senate Report No. 96-247, p.7.

to measure program impact require tracking and measurement over time, such efforts have to be long-term and involve a commitment to multi-year investments. Finally, it is of paramount importance to gear evaluation efforts to what is realistically attainable, in light of earlier experience in this and other government social programs, from the current state of the program evaluation art, and from available evaluation capabilities.

Such considerations have led to the priority given to the development of a system--the Continuous Longitudinal Manpower Survey (CLMS)--to provide reliable, detailed national data for evaluation of the decentralized CETA programs--who is enrolled and their preprogram, inprogram, and postprogram experiences. Similarly, they underlie the purposeful development of several "networks" of local analysts to establish capability for obtaining knowledgeable, independent identification and evaluation of the functioning and effects of particular programs and the frequent changes made in those programs.

In considering possible expansion, it should be recognized that it is not necessary or practical to evaluate (as distinguished from operational monitoring) each CETA program each year. Evaluating the impact of the Job Corps program through a multi-year tracking effort may be desirable only, say, every 5-to-7 years for example. Also, there are limits to how rapidly organizations can recruit and train additional qualified staff. These specific amounts needed for research and evaluation are determined in the annual budget process, which takes into account short- and long-term needs.

Three types of efforts may be considered reasonable options for expansion of the evaluation level of effort. They would together involve a $1.9 million (approximately 20 percent) increase in the evaluation program budget, plus 14 additional staff (a 56 percent increase over the fiscal 1980 position ceiling) and accompanying program administration budget (approximately $475,000).

(1) One would be to expand analyses of the cumulating CLMS longitudinal data base, both by external analysts and in-house staff. An increase in budget of $500,000, and of 3 in-house professional, plus 1 support staff, would enable a desirable increase in the planned scope and depth of analyses of the impact of CETA programs on earnings of different types of participants. Since there are substantial conceptual and technical issues in such analyses, a major part of expanded efforts would focus on the significance of alternate ways of conducting such analyses.

(2) The second would be to extend coverage of the current evaluation program by expanding the number of contracted evaluations. The additional evaluations would examine functioning and effects of specific aspects of the CETA decentralized programs, particular CETA national programs, and specific activities of the Employment Service system. An estimated $1.4 million a year and 3 staff persons, would enable 3-to-5 additional such efforts.

(3) The third type of expansion would increase in-house staff capability to conduct staff analyses of evaluation data and their own short-term field evaluations on specific issues or program components. A total of 6 additional professionals and 1 support staff could be used for this purpose.

In the longer-term, what would be required if the evaluation level of effort were to be expanded to assure, beyond the current focus on major programs, a periodic formal process and/or impact evaluation of every employment and training program, major program components (counseling or job placement or use of community-based agencies, for instance), or work with specific target subgroups (older workers or workers with certain handicaps, for example)? This would depend greatly on the definition of program, major components, and target groups, as well as on the scope of each evaluation.

If it is estimated roughly, and rather conservatively, that (a) there are 200 programs, significant components, and principal target groups, (b) an average cost for each national evaluation is $500,000 (at current prices), and (c) there is an evaluation for each of the 200 programs every 5 years, then total costs for a 5-year cycle would be $100 million, that is, $20 million a year in addition to current levels. If primary emphasis were put on impact studies, which require longer-term field tracking of adequate national samples of participants and control groups, costs would average well over $1 million, and the annual additional budget necessary would be over $40 million per year. Assuming the present mix of in-house staff and use of contractors, and an additional $20 million a year, at least 60 additional in-house staff would be necessary to conduct such a "total" evaluation program.

Use of Consultants

The Senate Appropriations Committee report enjoined the Department to use in-house staff to the fullest extent possible for evaluation under CETA and to justify proposed uses of consultant services. The Department's Employment and Training Administration has not been using "program administration" funds to employ individual consultants for program evaluation functions. However, it does use evaluation "program" funds appropriated for that purpose under title III, part B, to contract with outside organizations to conduct mose evaluation efforts.

Basically, in-house staff develops the specifications for the evaluations, selects contractors with the needed specialized capabilities (primarily through the established competitive procurement process), and guides and oversees their work. DOL staff also conduct internally some data analyses, analyses of contractor findings, and certain types of short-term field evaluations. But DOL staff simply are too limited in number, and frequently lack specialized skills needed for particular nonrepetitive evaluation studies, to undertake the major data collection and field evaluation efforts.

Program evaluations customarily require extensive field observation and data collection, data processing, sophisticated statistical analyses, and report preparation, of a magnitude substantially beyond the capacity of the in-house staff. To conduct such evaluations wholly or principally by in-house staff would require a manyfold expansion of such staff, probably to at least several hundred persons, and even a vastly enlarged staff would often lack particular specialized skills required for specific and changing evaluation needs.

The professional and data-collection staff (full-time years) whose services were purchased under evaluation contracts in fiscal year 1979 are estimated to be over 200, plus about 50 support personnel years. However, many of the contractor personnel worked on these contracts on only a part-year basis, since not all staff are needed continuously for a particular project. Staff with special skills are employed only as and when needed; many of the field analysts, for example, were knowledgeable university faculty members who devoted a limited number of weeks to analysis of programs in their local area. In all, probably over 400 different professional staff were employed for some time under these contracts.

For the Department of Labor to add regular staff to conduct this work, assuming persons with the special skills needed could be recruited and developed, would require a minimum of 250 (probably closer to 300) additional professional and support positions, with a program administration budget (salary and expense) of over $8.5 million plus costs of space and overhead expense.

Even if such an enlargement of internal staff were feasible, it would be cost- and quality-inefficient as compared to drawing on outside organizations which already maintain large data collection staffs and which can more flexibly obtain specialized skills appropriate to the needs of each new evaluation. It should be noted that, in the case of the large, continuing data collection of the Continuous Longitudinal Manpower Survey, the "contracting" for such work is with the Census Bureau, using its established government network of local interviewers and its data coding and basic processing capabilities.

The accompanying table presents estimates of the staff years planned for purchase in fiscal year 1980 from outside organizations for evaluation of employment and training programs and the justifications in brief for each planned procurement.

It is the Department's view that there is considerable value in having most evaluation field work and analyses conducted by relatively independent nongovernment organizations (with the in-house staff responsible for assuring that such work meets the needs for policy relevance, utility, and methodological quality). The analytical approach and conclusions of external organizations, subject to the open scrutiny of their peers in the social science community, appears to have more credibility with the public at large than do government internal studies.

In summary, the Department does seek to develop and use in-house staff as much as feasible for program evaluation tasks, but believes it unwise and inefficient to proceed with a primarily internal evaluation program. Instead, when an evaluation is determined to need substantial numbers of staff with specialized skills for some specific period, and/or extensive data collection and analyses at field locations, the Department believes it is preferable to proceed through procurement action with qualified outside organizations.

Justification for Use of Contractors for Major Evaluation Projects Planned for Funding in FY 1980

Evaluation Area and Contractor	Estimated Annual Staff Level of Effort (staff years, professional and support)	Major Reasons for Contract Rather than In-House Study
A. CETA Decentralized Programs		
CLMS: Bureau of the Census (field data collection)	150	Requires nationwide system of interviewers needed part-time at periodic intervals; requires capability for extensive and rapid data processing. Cost efficient to use available census capabilities.
CLMS: Westat, Inc. (technical support analysis)	40	Requires use of expert capabilities for complex database management, survey design and quality control, and data analysis. Lack in-house capacity for needed work (numbers of staff, types and level of skills); contracting for the needed fluctuating range of technical service is more cost-effective, flexible, responsive to schedule needs, and of a higher quality than feasible from adding permanent in-house staff. As respected independent organization, contractor's presentation of data and analysis add credibility to findings.

Evaluation Area and Contractor	Estimated Annual Staff Level of Effort	Major Reasons for Contract Rather than In-House Study
B. Public Service Employment		
National Academy of Sciences	10	Value of evaluation by independent organization of high stature in research community. Contractors able to recruit university faculty around the country to serve for limited periods as analysts of PSE programs in their localities; has developed a network of about 24 analysts; such locally-based analysts can more readily obtain candor and cooperation from local groups and have higher levels of analytic skills than is feasible to obtain through Federal Government staffing.
Princeton University	8	Value of evaluation by independent analysts of high stature. Contractor has network of about 40 university political scientists and economists (developed under earlier contract with Brookings Institution) to serve for limited periods to analyze specific developments and evaluation issues in their localities; they can more readily obtain candor and cooperation from local groups and have a higher level of analytic skills than feasible to obtain through Federal Government staffing.

Evaluation Area and Contractor	Estimated Annual Staff Level of Effort	Major Reasons for Contract Rather than In-House Study
C. Private Sector Initiative Program		
Ohio State University Research Foundation	7	Value of evaluation by independent organization. Contractor has developed knowledgeable network of research analysts for field evaluation, which can more readily obtain candor and cooperation from local groups, and has higher levels of analytic skills, than feasible to obtain through Federal Government staffing.
D. Employment Service		
SRI International	12	Value of evaluation by independent organization. Use part of time of existing high level analytic and technical staff, which can supply the needed range of services on a more cost-effective, flexible, schedule-responsive, and quality basis than feasible from adding permanent staff.
E. Employment Security Automation Program		
Contractor not yet selected	15	Requires range of computer and systems knowledge and skills not available from in-house staff. Special need for independent outside assessment of practices and experience of Federal and State agencies' automation efforts.

Evaluation Area and Contractor	Estimated Annual Staff Level of Effort	Major Reasons for Contract Rather than In-House Study
F. Targeted Job Tax Credit		
Contractor(s) not yet selected	5-10	Requires types and amount of quantitative analytic skills and time not available adequately from in-house staff and not feasible to develop internally in time to meet statutory deadline for evaluation report. Analysis of non-government experts may have greater credibility for some groups than internal analyses.
G. Work Incentive Program		
Contractor(s) not yet selected	12-16	Tentatively planned projects would require field staffs for local program examination, data collection, and analysis, for which in-house staff capacity are not available. Same desirability of having evaluaiton conducted by independent outside organization(s).
H. Other		
Boston Regional Office and Selected CETA Sponsors (development of local followup evaluation system)	3	Provides partial support for local sponsor pilot development and operation of evaluation data system, inherently requiring development and use of local staff.

U.S. GOVERNMENT PRINTING OFFICE 1980-621-077/853